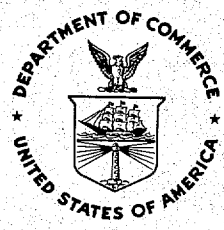


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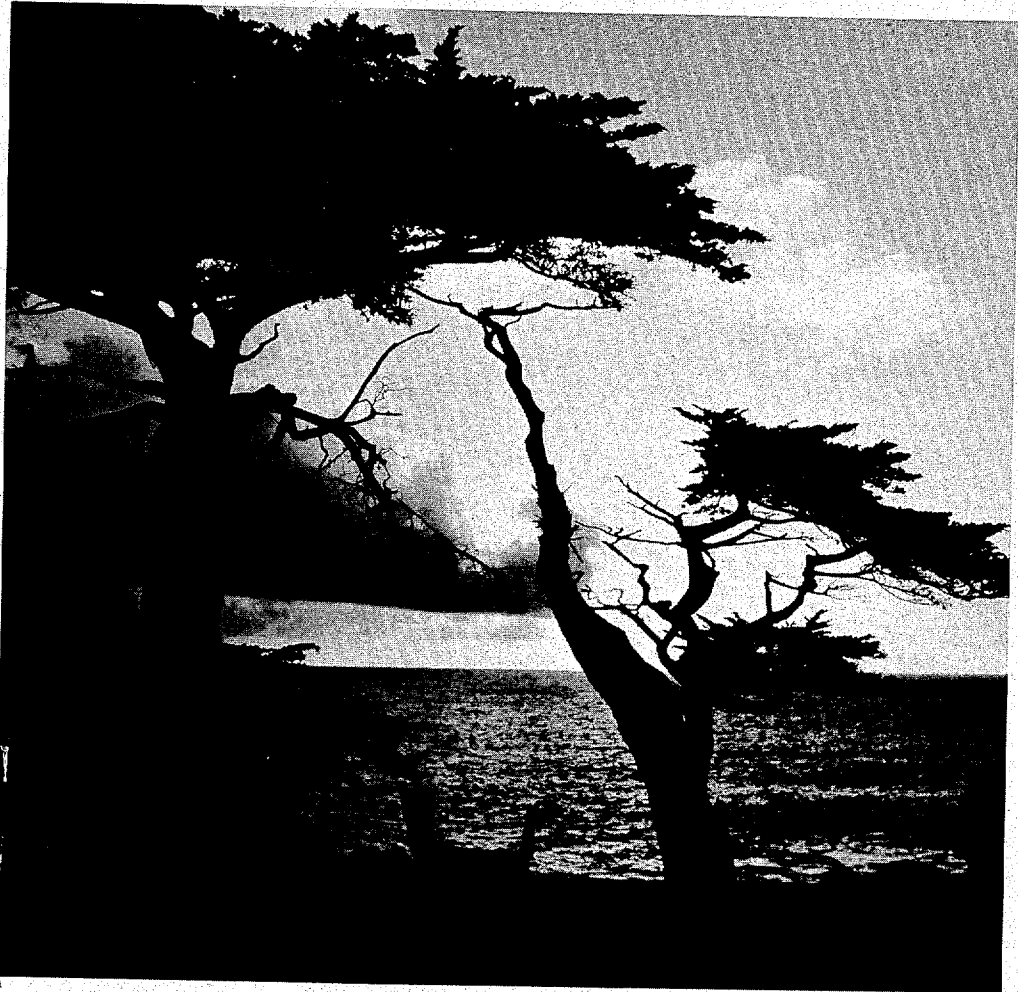
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Proceedings of the Third National Conference on Coastal Zone Management

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FORWARD TO ASILOMAR PROCEEDINGS -- By Dr. Robert M. White

The record of the Third National Conference on Coastal Zone Management is that of a program and a concept coming of age.

This gathering in the Spring of 1975 of many of the leading figures in the country dealing with coastal problems and their solution reflects the status of the coastal management effort at this time.

As such, this volume represents a valuable portrait of the progress since 1972 of the coastal zone management effort. This conference record together with the two gatherings which preceded it constitute a continuing record of the program.

What distinguishes this third meeting from the two earlier occasions, in Annapolis, Maryland and Charleston South Carolina, is an awareness that successful implementation of a comprehensive coastal zone management program will require hard work and dedication. We are beginning to introduce changes in the way decisions are made about the use of the coastal areas of the nation.

The program has advanced rapidly and has now reached the stage of dealing with the tough socio-economic decisions that must be made.

From the outset, what has distinguished the coastal zone program from standard planning programs is the emphasis on the ongoing "management" phase. These are not mere plans that the states are preparing, together with the affected local governmental units. These are programs of action, to be put into effect upon approval at the Federal level and made the basis for future state and local decision-making.

This is what makes the coastal program unique. It also means that in order to be effective, certain changes will have to be made in the way we as a nation have done business in the coasts. We have advanced from the general to the specific. The coastal zone management effort is maturing.

I am confident that, in the future, people will come to look back on the Third Coastal Zone Management Conference as a turning point -- when in terms of translating, abstract were turned into effective operating programs.

The meeting came at a critical, mid-way point in the development of an effective national coastal zone management program. Begun in 1972, it is hoped that the states and affected local governments will have completed and approved management programs in place by 1978. This Third National Coastal Zone Management Conference came, then, at the half-way point in this process.

We at NOAA are grateful for the participation of the many distinguished speakers and panelists whose expertise helped make the conference the success it was. We are also gratified with the attendance of 500 persons at the conference, the largest to date and an index of the importance of the coastal management program.

Robert M. White

Administrator, NOAA

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MR. KNECHT: It is a pleasure to welcome all of you to the third annual Coastal Zone Management Conference. I hope the arrangements turn out to be satisfactory. Certainly the weather is off to a grand beginning. I can't take credit for selecting this particular place; that credit has to go to Michele Tetley of my staff and her associates, and I am certainly pleased with the place she selected for this meeting.

We have made a couple of changes in the program tonight. Judith Penna, who heads our state relations activities, was going to have some remarks, as was Dick Gardner, my Deputy in the Office of Coastal Zone Management. We have decided that, in the interest of time and a somewhat smoother program, I will incorporate some of their thoughts into my talk. I will try to establish some perspective on behalf of all three of us, the three of us who have been leading the program for the last couple of years, a perspective within which to view coastal zone management in the United States today. I hope this will provide a useful backdrop for the discussions we will have tomorrow, Thursday and Friday morning; if it does, I think that I will have succeeded in what I am aiming to do tonight.

What I will do is describe briefly something about the past that would seem to be relevant to where we are, try to sum up some of the main points of the present that seem appropriate, and talk a bit about the future.

First then, I would like to take a short view backwards, over the first two-and-a-half years of the Coastal Zone Management Program. I think most of us would agree that the coastal zone management concept, those three words, rather elusive words sometimes, evolved sometime in the mid-1960's.

Of course, many states had related programs before this time. There were beach access programs in the State of Oregon and the State of Texas; there were wetlands protection programs in the State of Massachusetts and other east coast states, and in 1969-1970, Minnesota, Michigan and Washington all passed comprehensive shoreline management programs.

So, 1969 to 1970 marked a kind of turning point in the general evolution of the field we now call coastal zone management. This background, of course, led to the passage of the Federal legislation in 1972.

Well, so much for the history. How has the program developed in the two-and-a-half years since 1972? Has the growth been slower or faster than we might have expected? Indeed, what kinds of problems have we faced?

Looking back over the first two-and-a-half years -- I wish we had made a better prediction then, so we would know now whether we had achieved it, lived up to it, or fallen behind it. In any event, looking back, it seems to me there are important factors that both accelerated coastal zone management and held it back. I would like to briefly comment on those as we try to set the perspective for today.

First, the factors restricting progress in the development of coastal management as a concept: first and foremost, I think, has to be the continued reluctance on the part of many sectors of our society to accept what appears to be additional regulation of private property. This remains the principal factor slowing progress in this field. Not enough people perceive the problem to be critical enough or important enough to be willing to accept what appears to be the additional government regulation of private property. That has to be deterrent number one at least in our view from Washington.

Second, there is continuing local government concern with an apparent loss of power to state government that appears to be entailed in coastal zone management, or in fact, in land use programs. Local governments are just not all convinced that it is in their best interest to operate positively, rather than to continue to resist the tendency toward coastal management or land use programs.

Third, there is state government jurisdictional infighting. Sometimes it seems to us in Washington that the kind of infighting among the various departments of the state capitals of the country is as bad as what happens in Washington

among government bureaus.

We can see examples, perhaps in a quarter of the states as we look around, of coastal zone management programs which have failed to get the kind of start they needed because of infighting, competition between the Department of Planning on the one hand, the Department of Natural Resources on another, the Department of Environmental Conservation on the third. So there is state government tension that continues to slow down the progress in all too many states.

Fourth, and importantly, there was an initial one-year delay in funding for the Federal Coastal Zone Management Program to make possible some financial impetus to state programs. That year's initial delay continues to have an important effect on the program.

And finally, technical uncertainties as to the inadequacy of coastal resource inventories, uncertainties as to what the needs and desires of the inhabitants of the coastal zone are or what the people of the state wish with regard to the use of their coastal zone, uncertainty as to which processes to adopt, and so on, all of the technical issues that surround coastal management.

But I put technical uncertainty last intentionally. I don't believe that's a deterrent in general to progress in the program.

Let me turn now to factors on the positive side, and there have been several of these that have been very important. The continued urgency of coastal problems, especially with the emergence of the energy crisis, has served to heighten the awareness that some sort of a change with regard to managing our coastal lands and waters is needed, and that continues to push this program forward.

Second, the Administration in Washington is now committed to the Coastal Zone Management Program, and that certainly is positive.

Third, there continues to be strong Congressional support for the program, both on the Senate side and the House of Representatives' side, and that has to be an important factor.

And fourth, we get the impression that the state governments desire to exert more leadership in this area. The state governments are coming to recognize the need to exert a leadership role with regard to land and water use decisions involving more than local concerns.

As we've developed the program over the first two-and-a-half years, we have had to face some issues that were not properly anticipated, I think, in the beginning; such as the definition of the appropriate Federal role in coastal zone management, vis-a-vis state and local roles. We have spent a lot of time on that and it turns out that a lot of people have different opinions as to what the appropriate role of the Federal government ought to be in this regard. Some wanted a very strong Federal role with, in effect, Federal standards as to what was an adequate state program. Others felt that it was simply a new grant program to provide planning assistance funds to the states.

We have come down somewhere between those two, trying to live up to what we interpret the statute to mean.

Now, there is a problem with the definition of the national interest. What is the national interest in the state's coastal zone and how is this national interest incorporated into a state program? It hasn't been an easy topic to confront and I think the learning is still going on in this area.

And finally: Federal consistency. One of the key incentives in the coastal management program, as we see it, is the fact that once a state has adopted a program and has it Federally approved, Federal actions are to be consistent with that state program, giving the state additional leverage over Federal agency actions.

What does this really mean? How strong is this? Where are the gaps? What kind of precedents exist? This is a developing legal area that is a major concern of the states and yet it has lots of uncertainty. Therefore, some of the key papers in the legal session on Thursday morning will be devoted to an examination of this question.

So much for the two-and-a-half years that we have come along. I believe that in balance, the factors that have tended to slow the progress of the program have been more than offset by those factors that have urged the program faster; and I think, in perspective, that we are perhaps at about the point where we could have expected to be at this stage. None of us associated with the national program, at least, are dissatisfied with the progress to date.

What I would like to look at now is the present: where are we now with regard to coastal zone management and the environment within which these programs have to be developed? I think the present is very different than the past, at least as we looked at the past a year ago in Charleston. Several important things have happened since Charleston 14 months ago.

First, there has been no national land use legislation passed, and I think 14 months ago we would have anticipated passage. So, the coastal zone management programs remains in it alone, so to speak.

Second, the economy is in a serious downturn and this has to affect our endeavors to try to obtain the kind of legislation that is called for in the Coastal Zone Management Program.

Third, Watergate has come and gone, with its impact on the credibilities of the central government in Washington and I think that has to be taken into account in any kind of a program like this that involves close state-Federal relations.

And fourth, the offshore oil and gas drilling issue has produced a sharp Federal-state conflict on a very visible and a very important coastal issue. This conflict I think has served in a way to not only enhance and make clear to a larger group of people the need for competent coastal zone management, but also it has created tension in state-Federal relations that must be resolved satisfactorily if the new kind of partnership between state and Federal governments

that is called for in the coastal act is to really come to fruition.

With the impending grant to the State of Indiana, which should be announced within the next week, all 30 states are now in the Coastal Zone Management Program. A year ago in Charleston there were none. Most states are just now starting their second year of program development. All plan to complete and implement programs by late 1977. The first completed state programs are now undergoing review prior to the Federal approval by the Department of Commerce. And I want to come back to that point later this evening.

Clearly then, it seems to us that the program is well started. In contrast with the present, at the first conference in Annapolis in June of 1973, we were discussing technical assistance to help states to get started. This was in lieu of funding, which we didn't have at that time.

At our second conference in Charleston last March, the first three grants were announced, officially launching the program. This year we can announce that all states are in the program and that, in fact, the first states are about to complete their management program design efforts.

While this could be called "satisfying," it is by no means grounds for complacency; the hard work is still, for the most part, ahead. We are clearly not involved in any easy exercise. Even if all of the states are coming into the program, all 30 coastal states, a few programs are now in jeopardy, due to financial problems at the state level, due to a kind of environmental backlash that is beginning in a few states, and also due to the downturn of the economy which forces states to reexamine their priorities.

Obviously, the requirement here will be one of continual vigilance, as we see it. Nonetheless, I believe that the overall Coastal Zone Management Program has taken root and that it will not turn out to be a "flash in the pan," as it were.

(Laughter)

The problems that caused the program to be developed are, if anything, more

pressing now than they were before in the late 60's. The emergence of energy issues has driven the point home to at least 14 Atlantic coastal states and California and Alaska, that effective coastal zone management programs in place are essential if these states are to successfully cope with the impacts of new offshore oil and gas drilling on their coastal lands and water.

Plainly and simply: there is no alternative to the Coastal Zone Management Program on the horizon.

If the concept has taken root, I think it is time for a new kind of fertilizer to be applied to bring the concept into reality. I think the time has come to move coastal zone management from process to problems. More of the affected coastal interests must begin to see coastal zone management as a device to accomplish their objectives. It seems to me that all of us in coastal zone management at the Federal and state level are in danger of drowning in a sea of process.

The Federal act mandates processes to the states; the states in turn lay down processes on the local governments and they, in turn, apply processes to the land developers. It is possible, then, to entirely lose track of the substance along the way, it seems to me, of the goals that these processes are to serve.

Clearly, process is important, but we must not lose sight of the fact that process is merely a means to an end, not the end in itself. We must start with the goals we seek to achieve and fashion appropriate processes and procedures to meet those ends. Public attention should be focused on the goals. We should not allow the public to be distracted by the processes or procedures that we are adapting to these objectives.

Recently, an east coast author visited my office. She is writing a book on the crisis on the coasts, along the Atlantic coast, and she asked me what Coastal Zone Management was doing to help solve some of the problems, the very real problems she perceived. And we talked for about an hour and I discussed

what the Federal program was doing and what the state programs are gearing up to do, and I felt she left frustrated and unsatisfied, because most of our talk at this stage involves process and procedure.

We have got to start talking about the real problems of our coasts, the problems that the people that we are serving are concerned about.

In the Great Lakes, how can coastal zone management help with the erosion problem? We must face that. Along the East Coast, how can coastal zone management reduce the hazards of offshore oil development? Conservationists and environmentalists alike must be made to see how coastal zone management can help them achieve their goals. Similarly, the private sector should see that coastal zone management can be helpful to its cause.

You might say that this is impossible. If we begin talking about the real problems and we come out from behind our "process barrier," if you will, there will be inevitably a loser and a winner in each situation, it might be expected. But I don't think this is right; I don't think that coastal zone management needs to be a zero-sum game, that is to say, for every winner there is a loser.

Let's take the Alaska pipeline for a moment. Because of a lack of an adequate process, environmentalists and developers went to court. The developers wanted the pipeline at the minimum possible cost; the environmentalists didn't want the pipe at all. When they emerged, four years later, neither side was the clear winner or the loser. The pipeline was approved, but with major environmental conditions that considerably increased the cost.

Clearly, the more efficient way to have proceeded would to have been to have had the dialogue and the necessary accommodations take place earlier as a part of the planning process. So, there aren't necessarily winners and losers in these cases.

Another way to make my point is to ask the following question : who would care if the Federal and state coastal zone management programs closed their doors tomorrow morning? Excluding our staffs, the Federal staff and the state staffs -- (laughter) -- where would the screams come from? Indeed, would there be any?

The people and the interests that coastal zone management is designed to serve should begin to know that they are being served, and the only way to attract the attention of these people and these interests is to begin focusing on their problems, on their goals and on their aspirations and not on processes or procedures.

We must, in my view, explain state coastal zone management programs, not in terms of Federal grants, or not in terms of holding Federal feet to the Federal consistency fire, but in terms of improvement in coastal water quality, in terms of reviving sports fishing, in terms of improving coastal recreational opportunities, and in terms of sensible approaches to the siting of energy facilities and so on.

And we must be able to demonstrate to the Congress and to the Office of Management and Budget in Washington, that the Federal dollars going into coastal zone management are producing real results on the ground and in substantive terms.

Parenthetically, some of you may know that the 701 program of the Housing and Urban Development Department is in trouble partly because they can't find out where all of their money has gone over the years. The money has gone out to seemingly valuable purposes, but it's damned difficult after the fact to find out what's different because of that investment of hundreds of millions of Federal dollars.

We must be sure that the coastal zone management program supported by state dollars and Federal dollars makes a difference.

So, while I would say that we have gotten off to a decent start for the first two-and-a-half years, we are now at the point where the program needs to leave the back rooms of the state planning offices and to confront the real problems of the coast in an atmosphere where all of the principal interests feel that the coastal zone management framework assists in the resolution of their particular problems and achievement of their goals.

Now, briefly a look at the future. I think that the overall coastal zone management program will continue to be an expanding one. I think that some important new dimensions will be added by legislative changes that are now being discussed in the Congress, and that this will happen within the next few months. And I call your attention to the legislative panel on Thursday morning, with regard to the shape and the nature of these changes to the program.

I think that putting effective coastal zone management programs in place will be fully as difficult a task as we had imagined it in the beginning.

I want to emphasize that again. I think as we get closer to the time that program implementation is called for, we will see it is going to be just as difficult as we thought. I think, too, that the successful incorporation of energy facility siting into comprehensive coastal management programs and land use programs will continue to be a major concern over the next year or two. And that, of course, is the subject of tomorrow morning's session.

In closing my remarks, I would like to mention three specific problems that I see ahead.

First, the local government issue. As we get further and further into the program, this seems to be the number one problem. Somehow local governments must be brought more effectively into the process by state agencies conducting coastal zone management programs. The states must design incentives to attract and retain local government involvement and positive interest.

Unless this is done, it seems absolutely certain, given the voting makeup in most state capitals, the state programs will ultimately not succeed when the legislative chips are down. Somehow, local governments have got to be in the program more positively.

Secondly, the private sector. I think, given the current balance, especially given the current balance between concerns for the environment and concerns for the economy, we must give more attention to the economic implications of coastal zone management. I think coastal zone management as a concept is not necessarily anti-growth, not necessarily anti-development, and in fact, it should provide the clear ground rules and predictability that development interests need and require in today's climate.

But somehow, private sector interests have the impression that they are on the outside of this program, that the program is not for them. I think that has to change in the future if we are to succeed in what we are about.

The third and last problem I want to mention, in highlighting a couple of problems for the future, I call water planning and management. This is a technical item. I think it's understandable that the initial emphasis of most state programs has been on planning and management of lands, lands adjacent to coastal waters, but I think this has got to change in the future. Obviously, coastal water planning and management has to be an integral part eventually of comprehensive coastal management programs. No program could be complete without it.

I think this is an area that we will have to concentrate on together, we at the national level and you at the state level, as we move to complete and implement coastal management programs.

So, I emphasize water planning and management as an unexploited dimension so far in most state efforts.

Well, this is at least this person's perspective as to where coastal zone management stands today and where we have come along the way. To the extent

that it sets the stage for our discussions over the next two-and-a-half days, I think I will have succeeded in what I have tried to do. Thank you very much.

(Applause)

MR. KNECHT: Before introducing our keynote speaker tonight, I have a very special honor, and that is to announce the results of our recent Federal review of the State of Washington's management program.

The Secretary of Commerce announced in Washington today that his office is awarding the State of Washington's coastal zone management program preliminary approval under the terms of the Coastal Zone Management Act and our regulations. Thus, the State of Washington becomes the first state program to reach this particular category.

And, it is with hearty congratulations, Mr. Biggs, as director of that program, that I make this announcement.

Let me make a comment or two on preliminary approval. As we use it in this meeting tonight, it means the following:

(1) that the state has submitted the description of a program which, if totally in place, in our judgment, would meet the requirements of the Federal Coastal Zone Management Program;

(2) that the state program, while essentially complete, does contain certain gaps when compared to the Federal requirements; and

(3) that the state and the Federal governments have agreed on the nature of the gaps, the actions needed to close them and the timetable needed to undertake this closing.

The action anticipates final approval of the State of Washington's program in the very near future. Additional funding under Section 305 of the coastal act will be made available to the state during this interim period. Section 306 funding and the application of Federal consistency will become available to the state upon final approval of this program in the near future.

It is against this background and this landmark action in the development of the National Coastal Zone Management Program that I wish to introduce our keynote speaker tonight. John Biggs was formerly Director of the Department of Game for a total of 18 years in the State of Washington, prior to being appointed Director of the newly-formed Department of Ecology five years ago.

As the Director of the Department of Ecology in Olympia, he has had responsibility among other programs for the development of the state Coastal Zone Management Program. It gives me great pleasure to introduce John Biggs.

(Applause)

KEYNOTE ADDRESS BY JOHN BIGGS, DIRECTOR,
DEPARTMENT OF ECOLOGY, STATE OF WASHINGTON

MR. BIGGS: Thank you, Bob. It would be an understatement on my part to say that I view this experience with rather considerable awe. I had the opportunity of looking at the attendance list, the list of people participating in this gathering, and I can't help but say that I am tremendously impressed with this very substantial coming together of people of professional and national reputation in the area of conservation and the area of resource usage.

I would like to take a moment or two to speak of some of my personal problems before I take to being a keynoter on this occasion.

I think almost all of you know Bob Knecht, and know him well; and then you know him as perhaps one of the most engaging and able salesmen that the Federal government has ever added to its establishment. He is a person who is persistent, he is a person of knowledge and he is a person who has a pleasant way of getting things done.

Our coastal zone program, or our shorelines program, was something very close to us, and at the time the Federal Coastal Zone Program was formed and Bob Knecht became the administrator of it, he began coming to the State of Washington to discuss our program with us, and he kept handing out that little

carrot, you know, maybe you could be the first state that would become certified as having a Federal coastal program.

This intrigued us, naturally, not only the recognition, but there are certain monetary values associated with something like that. And so we communicated the information to the governor, Governor Evans of our state, who has been a very active environmental leader. He is one who has taken great pride in the environmental progress of the state, and he was pleased to meet with Bob Knecht and they exchanged confidences and made some sort of a binder that if the governor were to appear here and keynote this very auspicious gathering, there would be no question about that certification.

(Laughter)

MR. BIGGS: The Governor very conscientiously attempted to keep his part of the bargain, but being in the process of dealing with the legislature, as governors do, he found it impossible to leave.

Now, that's where I come in. I work for Governor Evans, as Director of the Department of Ecology. If you are a director working for a governor, there is no such thing as democracy or a Bill of Rights or anything of that kind. And then also to promote the Governor's interest there was also some talk that maybe Tom McCall, the former governor of Oregon, could come down and do the job.

(Laughter)

MR. BIGGS: And Governor Evans likes Tom McCall, but he almost would rather let the devil say something about the environment than Tom McCall, because they are competitors for their accomplishments.

At any rate, that is how I happen to be here. Governor Evans said, "I would offer you one word of caution: I have a great deal of confidence in Mr. Knecht, but if I were you, I would get that certification in my pocket before I started to talk."

(Laughter)

MR. BIGGS: And, while I don't have the paper, I do have a large audience who heard what he said.

If I can again feel sorry for myself for a minute, and perhaps go somewhat below the high intellectual level of this gathering, I would like to think that what I am going to get out of this matter personally, because as the administrator of this program, I do see a lot of the hard side of it, is something I would compare to the story of a young school bus driver who was a very devout Catholic.

It was his obligation, his responsibility, every night to take the children home from school and pick them up in the morning again, and also with the children, to take the young school teacher who taught this one-room school. Her house was at the end of this route, and in order to get there he had to ford a river and then return. On most occasions, he could ford the river and did so successfully, but occasionally the river would rise, and it would be difficult for him to get across the river to her house and they, therefore, would be compelled to spend the night in a cabin which was on this side of the river.

He viewed this experience with a high degree of moral correctness, and so when this happened, he was always very careful, even though there was only one bed in the cabin, that they lay down together fully clothed, and that they spend the night under the most circumspect of circumstances. And each day after this happened he would immediately go to church, he would go to confession, and he would say, "Father, I want you to know that I did participate in this experience, but I want you to know that nothing happened that God would not have felt that I conducted myself in the most Christian-like way."

And the priest would say, "Young man, I know you to be a good Christian. I understand; I will give you my absolution and I am confident that your reward in heaven will be a very great one, indeed."

So, this happened on a couple of occasions and each time he would return and receive his absolution by the good Father and the assurance that his reward in heaven would be great, and finally, on the last experience, he tried to cross the river. He felt that his confidence with the priest was perhaps wearing out. He couldn't cross it, both he and the young lady became wet, they had to return to the cabin,, they had to remove their clothes and they spent the night there. He very hastily went to church and went to confession the next morning. And he said, "Father, even though these circumstances were more aggravating than I have experienced before, and even though perhaps the temptation was great, I want you to know that nothing happened, that we both conducted ourselves as good, moral Christians."

And the priest said, "Once again, I'm confident that you are right, that you are telling the truth, and I absolve your many sins and I want you to know that your reward in heaven will be a very great one, indeed." So, feeling very relieved, the young man left the confessional, but as he left he was struck with a problem, and he turned around and went back and he said, "Father, what do you think my reward in heaven will be?" And without pausing for breath, the priest said, "A bale of hay, you horse's ass."

(Laughter)

MR. BIGGS: And I rather think that perhaps I find myself in this position today. To speak seriously, and as sincerely as I can, to the topic that we have come here to discuss, I would like to reflect for a moment on the thing that brings us here together, each in our separate profession, each in our separate interest, loosely in the name of the environment. We are whatever we are, whatever our interest is, we are here in some way as a product of a national and a local environmental interest.

And I think it is also timely and well worth our time that we stop and think about what is that environmental interest. What phenomena caused humans,

after living in this world for thousands of years, to suddenly, about the mid or early 60's, become concerned about the environment? We start to think about the environment, we start to talk about it and especially to talk about doing something about it.

Many people have their reasons and their beliefs as to how this came about. The country has had a long history of conservation. Sportsmen's organizations and others have a splendid record over the nation and the states, for preservation and conservation. But what suddenly caused people to think in terms of actually and positively doing something about these things?

In my opinion there were three reasons. First of all, we have experienced a period of long and great economic affluence in the history of the country. One of the great products of this affluence was the ability of ordinary people to educate their children in much better ways than they have been educated, and thus the nation has seen good use of college graduates, a phenomena that was not previously observed. The opportunity to go to college, to engage in some form of higher living, was presented to a lot of people.

I think as a part of that learning, younger people learned to place some value on the natural resources that their predecessors had not realized. They realized and began to understand that the earth, the water and the air were not limitless resources, but they were finite resources, and they must be used carefully if we were to continue and there were signs on the horizon that abuses and over-uses were occurring. This, I think, is one basic reason.

The second is a part of our economic well-being: shorter work weeks, higher incomes. People have an opportunity for much more leisure time for recreational activity and they turn to the outdoors with increasing interest, as a way of using that time, and the average American began to place a value on a lake, a stream, a forest, a mountain, that those before him had not realized or had not appreciated.

And finally, I think the third thing, and perhaps most people wouldn't agree with me, was the so-called "rights movement," the right of people to speak out more openly than they had in the past for something that was of interest to them. All of a sudden the constraints that many people had felt about speaking out on the subject of human rights were removed and thus a great many people felt the right and the inclination to speak out in defense of the natural resources, to speak out in defense of the environment, to understand that, particularly the air and the water, were in the ownership of all society, and the society had a right to permit use of it, particularly to the disposal of waste materials, industrial and human waste materials, or to deny it or to control it.

These are the things I think finally found expression in substantial groups of people, people who came together to do something about these things. As a result, we have seen a great wealth of environmental laws, both at the national level and at the state level. And people, now seeing these laws being more carefully and closely looked at, are now wondering whether or not the environmental interest of people will be a passing fad or whether it will be a permanent and continuing thing.

I think that the basic things that I referred to, the three things, will be continuing things. They are now built into generations of American young people; they are now values, particularly of American older people, that they did not realize before. While we will see ups and downs in environmental interest, I think we are working with a solid, substantial, ongoing basis of environmental interest which will give those of us who are professionally engaged in this work, a public foundation of confidence that we need to continue constructively our endeavors.

I think the experience of the State of Washington, if I can talk about it for a minute, has been somewhat of the experience of other states and the experience of the nation. We have long had good environmental laws, air quality laws, water quality laws, conservation laws, but somehow they were separated. They were, at times, fragmented. They addressed themselves to different interests. But in our state also, in the mid-60's, public groups started forming into environmental groups or communities, to seek better laws, to seek better protection, to seek a better statutory awareness of these values.

Many of these people came from the sportsmen's organizations, many of them came from traditional conservation organizations, but they joined together in our state, particularly in an organization called "The Washington Environmental Council." They attracted, interestingly, a group of highly intellectual, very well-educated people with a lot of vigor and a lot of commitment to the public well-being.

These people provided the necessary leadership to accomplish things. And we saw suddenly in our state, legislative proposals being presented which were almost heresy as compared with proposals of a few years ago. As legislatures do, at first they ignored them. Then they began to give them some recognition, but never quite as much as the environmental groups thought was necessary. They needed some public expression.

So the environmental groups proposed to the legislature on several occasions, a State Shorelines Act, and having been denied this, turned to the public, and through the initiative process, secured the necessary 140,000 signatures to require the legislature to act on the proposal, or to provide an alternative proposal of their own.

The proposal that the environmental groups sponsored called for strong state control of the shorelines and a minimum of local control. The legislature responded with a bill of their own which was a balance between state and local control. The people voted on which of the proposals they preferred, or none at all.

It was interesting, and I think an environmental lesson to our lawmakers, that 74 percent of the people of this state voted for one or the other of these acts, despite very strong opposition from vested interests who felt that the enactment of these types of laws would result in the encroachment on the perogatives that they had previously enjoyed.

This expression of public interest, I think, did more than anything else to make our lawmakers pass other equally strong laws in the field of air control, water control and water resources, resources in general.

And finally, to create a State Department of Ecology, which was one of the first such comprehensive state organizations, to bring together and group together into one entity of state government, all of the environmental responsibilities.

During the five years we have been in existence, we have encountered a great many trying administrative situations, but none that I can honestly say are more trying than the so-called "State Shorelines Act." And I would like to read to you very briefly what the act does, what it encompasses, because I think it is perhaps one of the nation's broadest acts. It was implemented in 1971 and the new Department of Ecology was charged with the responsibility of administering its provisions.

The Act provided that the development of all streams and lakes down to 20 acres in size, floodways, deltas and associated wetlands, including all of the 2,303 marine shoreline areas of the state, would come under the jurisdiction of the Shorelines Act and the administration of the Department of Ecology.

It provided in the first six months that the state was required to establish guidelines under which regulated use of these shorelines would be undertaken. It provided that an inventory of all of these shorelines would be made, and finally, that a master program would be developed by local governments of a kind that met the state's guideline and would be acceptable to the state.

It provided that the state had certain detailed authority in cases where it was felt that actions taken under the act were in excess or exceeded the general provisions of the act.

It provides that permits be administered by local governments and the state having the right of appeal on permits which did not conform to the pattern of regulations.

It provided for an appeal board and it was the task of the appeal board to hear these appeals. It was interesting that, during the five years that they actually have been in existence, the local governments have issued something in excess of 3,000 permits for particular types of developments. Of these, about 180 have been appealed. The action of the local government, in issuing the permit, has been appealed, usually by the state, although appeal provisions do apply to other elements of government.

Out of these, only about 60 have actually become contested matters before this appeals board; the remainder have been resolved by negotiation between the parties, usually the state and the local government and the permittee.

We now are in the process of nearly completing all of the shoreline master programs, the master programs being done by the counties or the cities, whatever the jurisdiction might be. We anticipate that this master program will be completed by the end of the year.

We have gone through some very difficult periods of administering the act. The act is very broad, as you can see. It does not confine itself to the coastal zone. The period of rhetoric and fine talk is long past, where people get up and make speeches, you know, about the priceless value of our shorelines and this and that.

We are engaged in the period of hard decision, decision where someone has to say: this is black or this is white.

I would say that, given today's climate, I seriously doubt that a similar act could pass in our state today. It is equally interesting, however, that the act, although having come under attack every year, every legislative session, by the interests who originally opposed it, remains intact. There does not seem to be a tenor in the legislative process that would indicate that we should do without it or substantially modify it.

I think this goes back to what I call a basic public interest in this form of resource, a basic public interest in some type of public management of it. In retrospect, while many people thought that the state should have dominant role, I think that the saving feature of it has been that the local governments have a very strong voice. And I would commend you very strongly, as you work for the passage of similar acts in your respective states, that you do not become beguiled by the notion that local governments cannot respond to this responsibility.

I would strongly recommend to you that you seek some appropriate balance between the interests of the people of the state and the local interests. Leave the permitting process with the local people but leave the state the right for some overall regulation in the interest of the people of the state.

I think this has been the saving feature of our program, because had the state been in there as the only person regulating these things, there would have been rebellion. I think the other thing that has been a very strong feature of our program, and I will again urge upon you, and I do not really know what its limits are, and that is: public participation, citizen participation.

In each of the jurisdictions, the local government jurisdictions involved and there are many in our state, we have caused to be appointed citizens advisory committees, and these things have been extensive and have consisted of responsible citizens coming from all areas of interest in our community. These citizens have sat down and have debated closely the features of a particular local shoreline

program, a master program. And thus, has come as a product of some pretty balanced thinking.

Many controversies have been settled locally, but especially it has been left in the minds of people that local people have something to say about this. I don't think we can walk off and leave this. I think it has to be a continuing process, because of the uses by management interests of the shorelines and coastal zones are changing things also. But I think these are two things that to me, on the basis of our experience, are absolutely necessary.

And I again want to stress a strong role for local government, a strong citizen participation. The balance works well, because at times, when local governments cannot, for local reasons, address themselves to particular situations, the state can do it, being somewhat well-removed from local issues, and so the state can wear the bad hat, and the state often has to wear the bad hat because it is easy for local people to blame the state, as it is easy for me, as a state administrator, to often blame the Federal government for responsibilities that I really know are my own.

But this is our type of government, and this is the type of government, given the participation, the honest participation of the parties, can be a very successful one.

Now, what are some of the hazards I see ahead? I see a developing viewpoint that at some point coastal zone management, coastal zone programs, which are really only land use programs -- they are that in reality -- in some way encroach upon the private rights of people. They amount to the taking of property without compensation; they enable a public body to satisfy something and they take a property that I have placed a commercial value on, potentially perhaps is worthless.

Imagine people who have long lived with the tradition that the right to own private property is a sacred one, and the property should not be taken without compensation. And yet there is another group who feel -- let us say the coastal zone is owned privately by the people, and will continue to be owned privately by people. There are growing overreaches of public interest, the moral issues, the right of people to

in some way use the coastline themselves, some sort of an undefined superior level.

I see increasing conflicts on this issue. In my own legislature we have seen bills which essentially say this: there shall be no taking of private property without compensation. It sounds good; it sounds simple; yet everyone knows they are talking about land use planning and they are talking about coastal zone planning and in the public interest in things of this kind, what are the public rights? Some way, sooner or later, we are going to, I think, have to find the right combination. We are going to have to bring together some type of similar organizations, and we have many. We have them nationally, we have them in our state. We are acquiring land for public purposes. And we are going to have to point out to them certain significant areas that perhaps aren't meant for a boat launching area, perhaps it is not meant for a public bathing area, but they are meant for some natural retention for some time, mutual time in the interest of the public.

These are some of the formidable problems that I see ahead. I think that all of us who are engaged in the work we are engaged in and particularly you who are involved in coastal zone planning and the making and administration of coastal zone programs, are doing a highly significant, pioneering type of work in the United States. You are engaging in a field of resource management, of environmental management, that was literally unknown a few years ago.

You are developing experiences which will take us into the era of land use planning more capably, with more professional knowledge, with more professional experience.

I, for one, and I would assume that most people who sit in this room feel as we have and have come to value the air and the water and to call them public properties, that sooner or later we must recognize that the environment consists of the air and the water and the land and that we must relate the interests of private property to the public interests and we must seriously engage in land use planning.

Many state are already doing it; the Federal government is close to it. This is why I think that your work is particularly significant, because you are engaging in experiences of learning and knowledge which will be of eventual great value to the American people, and will especially be of value to those us, that growing number of people, I say, who have come to be aware of the fact that the great natural things that make our world are the most priceless things of all.

Lastly I want to say, Bob, on behalf of Governor Evans and myself, thanks for the opportunity to have been hear, and to walk off with that certification. Thank you.

MR. KNECHT: Thank you very much, John. We all appreciate your very thoughtful remarks. Certainly your experience on the path over the last five years will be directly valuable and relevant to the work that is going on now at the state and national levels.

Thanks again for the time you have taken to prepare those remarks and to come here and give them to us.

I would like to fill in one gap of my remarks, and it has to do with when I went with the coastal zone program. It should be of interest. I'll do that for you in about 30 seconds. It has to do with the size of the grants program through the three years that we can see now in this perspective.

The first year that we had a grants program in the states, Fiscal Year 1974, it amounted to about \$8 million in Federal grants. During the current year just ending June 30, I think it will be \$10 to \$11 million, depending on supplemental appropriations and how it goes. And we anticipate for the fiscal year that begins on July 1, in a month or so, that we will have available between \$18 and \$20 million in Federal grants to assist states in various phases of the Coastal Zone Management Program.

That figure could be different from that if new legislation passes, but these are the figures contained in the President's budget as it went to the Congress. So, I think we can see steady growth in that dimension of the program, as well.

Finally, those of us who are associated with the Federal Coastal Zone Program, very much appreciate the kind of response that this large group here tonight represents at our conference. We hope very much that you will find the trip to Monterey worthwhile, that you will find the sessions that we have scheduled, starting tomorrow morning, useful to you and relevant to your programs. As you know, they will involve energy, the offshore oil question, marine recreation and how it involves local government in coastal zone management and a number of related issues, especially involving legal issues of public participation as well.

This year for the first time, we have parallel sessions with our sister agency, the Sea Grant Program, and those will be conducted tomorrow and the next day with summary sessions as a part of the plenary meeting, reporting the key results of those meetings. So, we are looking forward to that closer association with the Sea Grant Program.

And again, I hope you will find your time here profitable and enjoyable, and certainly it seems to be a nice location to hold this kind of a meeting.

Tomorrow morning the breakfast begins at 7:30 in the dining hall. I suppose we can all find it. I expect that we can. There will be a meeting as well, for speakers, tomorrow's speakers and session chairman, in a corner of the dining hall also at 7:30. We will take breakfast together to go over last minute details on tomorrow's sessions.

The session starts at 8:30 in this room and the first session will involve energy in the coastal zone. Again, thank you all very much for coming; and good night.

(Whereupon at 9:00 p.m., the meeting was adjourned.)

MR. KNECHT: I want to welcome you to the first session today of the conference. I have a couple of general announcements to make before turning the meeting over to the session chairman this morning.

First I would like to announce that the speakers themselves have no responsibility whatsoever for the titles that have been placed on their talks in the program. Those titles were done by a couple of us in a more or less frivolous mood, but we felt that sometimes this helps to set the tone. As a matter of fact, if we tend to use our own titles, we may come up with something, while it may be informative and explanatory, isn't quite as colorful as what someone else might place on the talks. So, speakers are not responsible for titles.

Secondly, I want to make an announcement with regard to tomorrow evening. We showed in the program that the talk shown for tomorrow evening at 7:30, the speaker to be announced. We have had quite a bit of discussion about this and we have had several good candidates for discussion tomorrow night, but in balance, we have decided to leave the meeting open tomorrow evening.

I have had a number of people come to me saying that this is such a beautiful place and the conference seems to be so busy that you people might not have a chance to enjoy it; so for that reason, we are not scheduling any speakers for tomorrow evening and that will be an open evening.

I would remind you that tonight, Mayor Peter Wilson of San Diego is the speaker, discussing local government and its involvement in coastal zone management, and Mayor Wilson brings a lot of experience and innovative thinking to this topic. I am sure we can use some of that.

With regard to this morning's session, we have tried to bring together people who are experts in the field of energy-related matters and energy as it hinges on coastal zone management. We think you will find their presentations of interest.

I don't think all of them agree with the way all of us or all of you think on all matters, but I think the purpose is to have a frank and open discussion of different points of view and to try to resolve some of these problems.

The session chairman this morning is Matt Connolly, who has a dual role in the great Commonwealth of Massachusetts. He is both director of the State Coastal Zone Management Program and chief planner of the Executive Office of Environmental Affairs for the State of Massachusetts.

Matt.

MR. CONNOLLY: Thank you very much, Bob.

Good morning, ladies and gentlemen. I think the topic is somewhat appropriate because it's 38 degrees in here this morning, so we should get down to the matter of discussing energy and one of the newer sources that we have.

This morning's panelists are going to be taking approximately 20 minutes for their presentations, and given the fact that there are a goodly number of them, and to give them an opportunity to respond to your questions, we felt it would be best to have a question and answer period after each one of their presentations.

So, take advantage of a ten-minute period after each of the presentations, to ask any of the pertinent questions you have for any of the panelists.

We would like to maximize their presence here and the opportunity to put some questions to them, particularly for those of you who are coastal zone managers in your states and now find yourselves in impressed schedules for development of your plans, and confronted with a whole regime of matters that we have not factored in initially in the first year of grant applications and first year work elements and work products of the program.

I know we in Massachusetts did not factor in to the degree that we should have, the whole topic of OCS development. We now find ourselves placing much of our emphasis and focus on that particular matter, both in Massachusetts and in New England as a whole. And we, as coastal zone managers, discover ourselves not only being concerned

with and involved in the onshore impact aspect, which obviously is most crucial to the Coastal Zone Management Act, we clearly, in the states, are in a role to somehow shape and form the destiny of what takes place in the area of OCS development and support facilities on our shores. We also find ourselves increasingly involved in the offshore aspects regarding baseline studies involved in leasing schedules, and overall policy guidance and development for our respective governors and governments in dealing with the Federal government.

The first series of speakers pretty much have their background in the area of energy and resource development. The first speaker this morning is Dr. James S. Cross, who holds a Master's degree in economics from Pennsylvania State and a doctorate from Ohio State University.

He served in the Navy, and following that, he became a professor at the Pennsylvania State University and later joined the staff of the Massachusetts Institute of Technology, where he served in the School of Industrial Management as an assistant professor. After leaving MIT, he joined Sun Oil Company and became the Director of Economics and Industrial Affairs at that company.

On January 1, 1975, he became Vice President of the American Petroleum Institute and is in charge of the very crucial area of policy development. As such, he is going to speak this morning on the policy development of the American Petroleum Institute as it relates to OCS development. And I think that we will find his comments most pertinent, and once again, I urge you to take advantage of this opportunity and ask any questions that you have in this particular area.

Thank you.

PRESENTATION OF DR. JAMES S. CROSS, VICE PRESIDENT,
AMERICAN PETROLEUM INSTITUTE

DR. CROSS: Well, times have changed. It is more than just the three-hour time differential between Washington, D. C. and California. I've gotten used to that and I'm getting used to speaking on a wide variety of energy-related topics far beyond the realm of economics.

You might say I have stepped down from the ivory tower. I am no longer only invited to speak to financial analysts and oil industry groups. More and more I find myself stepping aboard a transcontinental plane and giving the airlines, as my wife likes to tell me, "just another Cross to bear."

I have been asked to talk about the topic of "Offshore Oil, a fuelish controversy." I think this is a good title.

I recall that the Department of Commerce initiated an energy conservation public information program last year. It was built around the slogan: "Don't be fuelish," -- that is, wasteful.

I would like to apply that definition to our discussion. As I view it, the controversy over offshore drilling is, indeed, a wasteful and costly one.

It is wasteful in terms of time lost in solving our nation's energy problems. It is wasteful in terms of the huge drain on the U.S. economy, both in jobs lost and in payments to foreign countries for imported oil. And it is wasteful in terms of getting on with the important task of improving our environment.

This morning, I plan to center my remarks around that theme: the waste of time, money and environmental progress brought about by delays in developing the nation's offshore petroleum resources. And that includes both crude oil and natural gas.

Obviously, delay has a price tag, and it's not a bargain basement price tag at that.

How big is the price tag? In the 20-25 minutes I will be speaking here this morning, we will have paid out more than \$600,000 for imported crude oil. And that's a lot of money, even to an economist.

I see no evidence that the price tag for foreign oil will be marked down substantially in the months and years ahead. The Shah of Iran says that prices will go up even more before the end of this year. And there is no indication that our high level of dependence on possible insecure, and certainly costly, foreign oil

will decline in the foreseeable future.

We are, in fact, dependent on foreign sources for more than 38 percent of our oil needs right now. And next year, the indicators that I've seen point to even greater imports.

A national goal, and it needs to have the highest priority, should be to scale down our dependence on foreign oil as much as possible and as quickly as possible.

As I see it, there are only two ways to reach that goal. One is to conserve energy, in everything we do. Some progress has been made in this area.

In recent years, energy demand had been rising by some four percent annually. Last year, for the first time in nearly two decades, total energy consumption declined by more than two percent. Part of that decline was due to the recession; part to the increased cost of fuel; and part to energy-conservation practices. The net effect was a drop of about six percent in energy use. That's equivalent to about 2-1/2 million barrels worth of oil a day ... 365 days a year.

However, reductions in demand alone cannot achieve our national goal of reduced dependence on foreign supplies. We must also increase domestic energy resources. For the next decade or so, this means primarily increasing supplies of U.S. oil and natural gas.

And that brings me to the main subject of my remarks.

Today, some 1,700 miles from here, the Federal government is conducting another in a series of offshore lease sales in New Orleans. Next month, Louisiana will hold a lease sale covering state waters in the Gulf of Mexico. And, in late July, another Gulf lease sale will be held by the Federal government.

But, offshore exploration in the Gulf of Mexico alone will not solve the problem. And Gulf of Mexico oil and natural gas supplies obviously will not last forever.

Right now, some 17 percent of the petroleum being produced in this country is coming from offshore wells, mostly in the Gulf. The contribution of offshore oil to California energy is even greater. More than 25 percent of the crude oil produced in this state comes from offshore California wells. More specifically, offshore California wells are safely producing some 228,000 barrels of oil every day.

And that's where we stand today.

Now, let's go back in time. It's been more than six years since the Santa Barbara oil spill. An estimated 23,600 barrels of oil were spilled as a result of that accident. It was indeed an unfortunate accident. A large number of birds were killed and, for a while, some of the beautiful beaches of Santa Barbara were coated with oil.

But, as I'm sure many of you know, aesthetically, Santa Barbara beaches are today as clean as they ever were. And, scientifically, marine life is back to normal. This has been so for several years now. Independent studies uncovered no evidence of permanent ecological damage there. Nonetheless, the moratorium on further drilling there still exists.

Moreover, that oil spill has become the spearhead of opposition to further drilling anywhere off the coast of California and elsewhere. The Santa Barbara spill is recited as religiously and repetitively by opponents of offshore drilling as a small child saying his nightly prayers.

Less well known and less publicized is the fact that, every day, 10 times as much oil is being produced safely offshore California than the total amount of oil spilled from the Santa Barbara platform accident.

The environmental safety record is equally good in other areas of extensive offshore activity. Since offshore drilling began back in 1947, more than 19,000 wells have been drilled in U.S. waters.

In all that time and with all those wells, only three other major spills have occurred, besides the Santa Barbara accident. And, as with the Santa Barbara spill, there is no evidence of any permanent environmental harm resulting from any of these handful of oil spills.

In short, I believe that this is a good record, unless we are looking for offshore drilling perfection in an otherwise imperfect world.

Earlier, I mentioned that delay has a price. It's a kind of "invisible ink" price not treated adequately in the debate over offshore development.

We can, if we look closely, see the hidden price tag of delay in the economic cost to the nation for oil imports. According to government statistics, it cost this nation about \$25 billion in 1974 in balance of payments outflow for that foreign oil.

We could see it, last year, with the Arab oil embargo. Delays of several years duration prevented construction of the trans-Alaskan pipeline. Those delays took their toll in time and money during the period of the embargo.

Delay took a toll on every motorist who had to wait and waste time in long lines at service stations.

Delay also took an economic toll during the embargo. The Department of Commerce estimates that the embargo levied what can be called a one-time "tax" of approximately \$20 billion on this nation's economy. And this does not take into account the shock on the economy from the secondary impact.

All that need not have happened if the Alaskan pipeline had been in full operation when the embargo was imposed. And it could have been, without the costly delay.

Let's consider where we would have been, if construction had kept to its original schedule. The flow of North Slope Alaska oil would have been about equal to the amount of oil cut off during the height of the embargo. And, since the Arabs are pretty smart, the embargo might not have happened at all.

So much for the past.

Now, looking to the future, there are huge reserves of natural gas on the North Slope awaiting a means of transportation to the lower 48 states. And there are thought to be vast volumes of natural gas lying beneath the nation's Outer Continental Shelf. Vocal opponents of offshore development, however, have apparently taken a "code of silence" with regard to the offshore natural gas development. And that's strange, indeed, from both an environmental and economic viewpoint.

Environmentally, natural gas is the most attractive fuel we have. If sufficient supplies were available to meet requirements, our nation's air would be cleaner. And the cost of clean air would go down. Yet, because of environmental opposition to offshore drilling, much less clean-burning gas will be available in the months and years ahead.

Economically, shortages of natural gas have added to the unemployment lines and factory shutdowns. Virtually all major industries use natural gas. In many cases, natural gas is needed by industry to make other products; chemicals, fertilizers, glass, paper and other materials.

A recent study by two M.I.T. energy experts predicts that shortages of natural gas will be even more extensive than forecast earlier. They estimate that, by the late 1970's, gas shortages in the North Central region of this country could exceed one-half of total demand. That would result in total elimination of supply for industrial and commercial establishments in that area, in order to ensure enough gas for homes.

In other regions, industry might not be cut off entirely. However, large industrial buyers seeking to expand their use of natural gas would generally face curtailment.

Right now, this nation is seeking ways to turn around the present recession and high unemployment rate. Shortages of natural gas will make economic recovery that much more difficult.

The Commerce Department has indicated that only two of the 25 largest natural gas using industries have processes that permit rapid conversion to other fuels. These 25 account for some 70 percent of all the natural gas used by industry.

Here in California, 82 percent of all manufacturing depends on natural gas, the second highest ratio in the United States.

In the case of natural gas, of course, the problem is not solely related to delays and moratoriums on offshore drilling. For more than 20 years, the wellhead price of natural gas has been regulated at artificially low levels. The direct result of price regulation has been a steady decline in exploration for new gas reserves. Correspondingly, there has also been a sharp rise in consumption of this cheap and convenient fuel.

For the nation as a whole, the proved reserves of natural gas, and this includes the reserves on the North Slope of Alaska, are at their lowest level in nearly two decades.

In California, proved natural gas reserves dropped more than five billion cubic feet last year, compared with 1973.

The drop in proved U.S. reserves of both natural gas and oil is, in itself, a serious problem. The problem, for the future, will be even more serious. And here's one reason why.

In recent weeks, Canada has made two announcements that will impact heavily on this nation's petroleum supplies. First, Canada announced that crude oil imports to the U.S. will be scaled down, year by year, until 1982. At that time, oil imports to this country will be stopped.

Secondly, Canada announced that the price of natural gas to U.S. consumers would increase 60 percent by November 1, 1975, to \$1.60 per thousand cubic feet. This compares with a U.S. regulated field price of 52 cents per thousand cubic feet for natural gas sold in the interstate market.

The Canadian price increase for natural gas will most directly affect the economies of Northern California, the Pacific Northwest, portions of the Midwest, and New England.

These moves by our northern neighbor suggest that we had better get on with the job of increasing our own supplies of oil and gas. Canada is obviously wasting no time in straightening its petroleum supply picture. We should not waste any time, either.

Only significant changes in government policies will solve the problem of natural gas shortages and heavy dependence on oil imports. One policy shift must be to expedite the search for and development of the potential offshore reserves of both natural gas and crude oil.

Some argue that we should postpone OCS oil and gas development, saving these resources for a time of a national emergency. That argument would make sense, if we know for sure that these resources actually exist in the amounts estimated and that they could be rapidly developed.

Unfortunately, an emergency, by its very definition, doesn't provide much advance warning.

The recent experience of several oil companies in the Northeast Gulf of Mexico should tell us something about the difference between estimated potential and actual production. It should tell us that even the best estimates and advanced seismic and other data cannot guarantee discoveries of large volumes of oil and natural gas. That's true even when these estimates and data are backed up by hundreds of millions of dollars in lease bonuses paid by companies to the U.S. Treasury.

Oil companies paid a total of just under \$1.5 billion in that one lease sale alone. And, since 1954, the total in lease sale bonuses has been almost \$15 billion. These huge sums have gone into the U.S. Treasury. They're not returned to the companies if only dry holes are drilled.

To date, some half-dozen or so wells have been drilled in the Destin Dome in the Northeast Gulf. All have been dry holes.

It may be that discoveries will still be made in that area of the Gulf. But the results so far have been far from encouraging.

That lease sale also tells us something about the time lag in developing OCS oil and natural gas. It's been some 18 months since the Northeast Gulf sale was held. To date, no oil or gas has been developed.

The exploratory phase is only one part of the extended time lag before any new discoveries are made in offshore areas are fully produced.

The lead time factor is often overlooked by some opponents of offshore drilling. Their rallying cry of opposition goes something like this: "industry wants to rush headlong to develop the entire OCS."

That just isn't so. Nor is it possible. Even before a lease sale is offered, it takes several years of preliminary exploratory work, including seismic and other surveys. The next step is development of a draft environmental impact statement by the Bureau of Land Management. Public hearings then follow. Based on these hearings, a final impact statement is issued.

In the past, and I'm sure this will occur as well in the future, some individual tracts have been excluded from a sale. These are tracts that were considered environmentally sensitive or valuable for other purposes.

Only then is a lease sale held. (I believe Mr. Gaskins will comment more fully on this operation.) In the Gulf of Mexico, the average time between a lease sale and initial production has been from three to six years. In new frontier areas, the lead time may be even longer.

I think it's important that this long time span be understood by people of good will on both sides of the issue. It's important for two reasons.

First, every day we delay development of the nation's OCS frontier areas means one more day of heavy dependence on costly foreign oil. And, as I mentioned earlier, this dependence could increase even more.

Second, this time lag will allow time for coastal zone management plans to move forward.

Obviously, if oil and/or natural gas in commercial quantities is not discovered, the impact on coastal areas will be negligible.

The impact on the East Coast and on Southern California, highly industrialized areas, would be moderate even if commercial discoveries were made in these OCS frontier areas. That's because the necessary supply, support and service facilities would logically be located in or near already existing industrialized areas.

For example, crude oil discovered in the Atlantic OCS would most likely be processed in existing refineries, replacing imported oil. The oil would normally be pumped ashore through pipelines directly to these in-place facilities.

Environmentally, that would mean a sizeable reduction in the number of tankers entering U.S. harbors, where the chances of accidents and, possibly, oil spills are greatest. That's surely an environmental plus.

Concern for the environment is not the exclusive property of card-carrying conservationists. The petroleum industry is also deeply interested in improving the nation's environment. And we have backed up that concern with the commitment of billions of dollars.

Between 1966 and 1973, petroleum companies invested more than \$5.5 billion in air, water and land conservation.

Oil companies have also made great strides in improving offshore exploration and production technology. Safety equipment, monitoring techniques, and personnel training have advanced considerably in recent years. The newer technology includes automatic shutdown devices that are now regularly installed as part of the offshore drilling and production activities.

The industry is also deeply involved in research. Much of this research is designed to find scientific answers to the question of what happens to oil in the marine environment. Some of these studies go back years. For example, the industry was first to initiate environmental baseline studies in the Gulf of Mexico and in the Baltimore Canyon off the Atlantic.

A number of current studies are being conducted by some of the nation's leading universities and research laboratories. Three of the API's projects are being carried out by scientists here in California. Two are at the University of Southern California, and a third at the University of California's Santa Barbara campus. As I mentioned earlier, the results of studies to date have found no evidence of permanent ecological damage from offshore spills.

Research projects sponsored by the oil industry have also centered around the impact of spilled oil on other activities. One current project seeks to develop an in-depth analysis of the relationship between fishing and oil operations. This project has been undertaken even though experience in the Gulf of Mexico has shown no adverse impact on fishing from offshore petroleum operations there.

The Institute is also sponsoring a \$100,000 study on the socio-economic effects of offshore drilling on coastal areas.

To sum up, the petroleum industry is deeply conscious of the need for thorough analysis of its operations on the environment. It wants, as much as anyone, to replace fears with facts, to substitute answers for allegations.

So much for what industry has done and is doing. I believe it's a good, progressive record.

However, there is also need for government to move forward. There will be some impacts, though not necessarily adverse, on coastal states. For that reason, the petroleum industry favors a system of revenue sharing from offshore lease sales covering Federal waters. We have urged, for more than two years now, that the Federal government establish an equitable sharing of such revenues with appropriate levels of state and local governments.

The industry also strongly supports the development of a so-called "superfund." This fund, if developed, would cover all oil spills that might occur, from any source. This would help provide a coordinated, cooperative plan of protection between the Federal government and the various states.

Finally, the industry, as much as anyone else, is dedicated to seeing that the seashores and coastlines are not harmed. We believe this goal can be achieved while the goal of greater national energy self-sufficiency is also being attained. There is every rational reason why both goals can be met. In our industry, there is also the spirit and the will to achieve these two goals.

Neither goal will be achieved unless we move away from the wasteful controversy that has surrounded offshore petroleum activity in recent years. Controversy denotes a dispute, with each disputant talking at cross-purposes, usually in an emotional manner.

What we need, instead, is a dialogue. We need to join and talk together in a reasoned, factual manner. We need to do that if we are to reach our mutual goals of a cleaner environment and a more secure and adequate supply of oil and natural gas.

I hope this conference can be a major platform through which we may all move forward from dispute to dialogue.

Thank you.

DR. CROSS: I would be glad to answer any questions that you may have.

QUESTION: I would like to know what kinds of programs the Institute has for working with the industries to conserve oil as an international goal. Do they have programs for assisting industry in developing techniques for conserving oil or natural gas?

DR. CROSS: Yes. The one thing that is extremely important in conserving oil and natural gas is conservation by industry itself. The petroleum industry has led the way in using less oil in its refineries. In fact, last year we used some 7.6 percent less oil in manufacturing petroleum products than in the previous year.

The Dupont Company, as you may know, has likewise set up an organization for researching how to conserve oil in industry.

With respect to consumer savings in oil, we have looked into what has been done in terms of higher mileage for automobiles, in terms of caulking houses, in terms of stormproofing and in other ways of conserving oil. We feel that this is, indeed, as I mentioned in my talk, one of the important ways that we can lick this problem.

QUESTION: I have two questions, sir.

MR. CONNOLLY: Just a second. Would you identify who you are and who you represent, and then ask your question.

MR. WAITSMAN: Irv Waitsman, New England River Basin Commission. One question deals with your comments regarding, I believe, excluded tracts. Is it possible to furnish in the record, some kind of documentation data --

DR. CROSS: May I repeat the question. The question is: is it possible to furnish some record of excluded tracts from OCS sales?

MR. WAITSMAN: To date, we have found no actual record where the actual call for nominations has gone forward with some kind of notation for excluded tracts. The data, based on our research, have all been positive. If you could give some kind of information.

DR. CROSS: All right. I think possibly Mr. Gaskins might be able to handle that question better.

MR. WAITSMAN: My next question deals with your remarks concerning those who would argue that oil and gas should be saved for future generations; and your answer to that was, well, how can we save what we don't know we have?

In view of those comments, I would like to know how you or the industry stands on separation of exploration from development and a reason for that stand, if you would.

DR. CROSS: The question is: how do we stand relative to the question of separation of exploration from development? Our stand is that we feel that development should proceed directly after exploration. There is normally, however, a six year lag between the finding of oil and actual production. We do not feel that separating the people who do the exploration from the people who do the development would be fruitful.

In other words, we do not feel that having government undertake the exploration would serve any useful purpose.

With respect to the second part of that question: "what about saving oil and gas for future generations?", our position is that we should use the cheapest form of energy that we have, and this, of course, is important from an economic point of view. Instead of developing wind power or solar power or atomic power, we feel that we should first use OCS oil and gas.

OCS oil and gas may be obtained at a cost -- and I will offer some order of magnitude numbers -- in the order of \$8 to \$10 per barrel.

If and when we develop shale oil or oil from coal, the cost might be anywhere from \$12 to \$14 per barrel. The cost of solar power is, of course, unknown. But, within the next decade or two, there will be breakthroughs. We will rely primarily on oil and gas only for another decade or two after the turn of the century, after which we will be using some other form of energy.

Speaking from the point of view of the economist, it is important that we use the least expensive kinds of energy that we possess.

MR. HILL: I understand you are concerned with the alternatives for enhancing production, but would you express an opinion as to the desirability, from your point of view, of letting the price of oil and gas be set by the market instead of by regulation. In particular, I have reference to the fact that the FPC regulated price on gas is now what, 52 cents? And the going market price is somewhere in excess of \$2.00. It seems that that additional money would enhance the incentive for exploration and development.

DR. CROSS: Yes. The question is would I comment on allowing the market to set the price, rather than a Federal agency.

If the market were allowed to set the price of gas, then the first thing that would happen, of course, is that the price would go up. As was indicated, the BTU value of gas is \$2.00 per 1,000 cubic feet, whereas the price is being held at 52 cents. The obvious thing that happens under these conditions is that there is too much consumption and not enough production. This has been going on for 20 years now, with the result that we are in the position of having only half enough gas. Had prices not been so regulated, we never would have run out of gas.

With respect to oil, the average price of crude oil is \$9.50 per barrel; the world price is about \$12.00 per barrel. This is a differential of about \$2.50 or about six cents per gallon. If the price of oil was allowed to seek market clearing levels, there would be a balance between supply and demand.

And if we continue to allow the government to set the price, we can only expect to be in the same position with respect to oil as we are now with respect to gas.

Thank you.

MR. CONNOLLY: We are going to have to hold questions. We are running a little behind schedule and we would like to make sure that we get the two speakers in by 10:00.

Also, when you ask the question, though these particular microphones are not functioning with the PA system in the hall, they are tied into the transcript here, and given the fact that this is being transcribed, please be sure, once again, to speak into the microphones and identify who you are and who you represent.

The next speaker is Darius Gaskins from the U.S. Department of the Interior. Darius is a graduate of West Point, hold a degree in engineering; he also has a doctorate from the University of Michigan in economics, and has been an economics professor at Berkeley before joining the Federal government. He has served in the Department of the Interior as Assistant Director for Economic Analysis, for the Office of Mineral and Policy Development, and he currently holds the position of Director for the Office of OCS Program Coordination, the function of this office being to oversee the OCS development effort in the Interior Department.

I'm sure many of you are familiar with Mr. Gaskins. He has spoken to many of us before on previous occasions and has been most helpful in providing a lot of us with further insight into the accelerated leasing schedule in the Department of the Interior.

Once again, we are a little behind, so be sure you come up promptly, speak into the mike, when Darius finishes his speech and be sure to identify yourself.

PRESENTATION OF DARIUS GASKINS, DIRECTOR,
OFFICE OF OCS PROGRAM COORDINATION,
U. S. DEPARTMENT OF THE INTERIOR

MR. GASKINS: Thank you very much. It is a great pleasure to be here. Because of the time restraint and because I would like to handle as many questions as possible, I told them what I would this morning is just give you a brief overview of where we stand today in terms of the accelerated leasing program, by concentrating

on the three main issues that are currently on the table.

The issues I want to talk about are: state and local participation in the decision process of the leasing program; the question of separating exploration from development; and finally, compensation for impact of OCS development.

In terms of state participation, the major new event is that on May 21st we had a meeting with representatives from most of the coastal states and at that meeting we developed a broad consensus about the formation of new organizations and the procedures for discussion and a full input from state decision-makers.

There were four main points of consensus that we arrived at at that meeting. First, we would establish a new National Policy Board. This board would not tend to get tied down in technical questions, but would address itself to the broad policy issues associated with accelerated development of the OCS.

The board would consist of, on the Federal side, key decision-makers from all of the Federal agencies that are involved in OCS. At a minimum, we anticipate that the Department of the Interior, NOAA, FEA, EPA and CEQ will be represented on the National Policy Board.

And from the coastal states we certainly hope that the governors will either participate directly or designate key individuals to represent their interests.

The second point of consensus at the meeting was: even though the existing advisory board which many of you have been involved in had a rocky start and had its trials and tribulations, it was beginning to perform a useful service in terms of technical review of the environmental study program and it was felt that it would be a serious mistake to dissolve this board at this time.

The notion of the group was that this board would restrict itself to the technical aspects, would coordinate with the National Policy Board, where necessary and desirable, but it would continue to function with its prime responsibility for technical advice on the design of environmental studies.

The third element of consensus at the meeting was that many of the problems we face in the OCS program are regionally specific. Because of this, it will not be useful to have the national board address all of these problems. To attempt to meet this then, the concept is that we will establish some sort of regional panels that will be set up, perhaps on an ad hoc basis, perhaps formally, to address those issues which are regionally specific.

For example: if we have a lease sale in the New England area -- the important policy questions associated with that lease sale would be addressed by a regional grouping of the states involved in and affected by that sale.

In this regard, I would point out one thing also that we emphasized at the meeting and on which I think there is general agreement. Rather than force any particular regional pattern on the states, the Federal government is going to take a passive role and see if the states coalesce into regional organizations.

We know that the Middle-Atlantic states, for example, already have an active group and they will participate and interact with the national board on the basis of the group that already exists.

And the final point of consensus: we had discussion on where we stand on the separation of exploration and development issue and it was decided that we would have a joint review of the state of the art of development plans. What we propose to do is to send out to the coastal states an example of a development plan that has been written under the existing program and the states will respond to this development plan by indicating whether or not the information contained in the plan is sufficient and adequate for their needs in the planning of onshore impacts.

And, where they detect deficiencies, they will supply us with suggestions as to how the development plan should be modified to give the kinds of information that should be included that are not included in the current state of the art development plan.

Now, let me move on to the separation issue. Just for the sake of clarity, let me back up a little bit. Not everybody in this room, I guess, has participated in all of the discussion we have had on this issue. So, let me see if I can lay the background of the problem and talk about where we stand today and what we hope to accomplish in the future.

The background of the problem is that the state and local communities are very upset by the notion that there is currently inadequate data for them to fully plan for the onshore impact of oil and gas. There is a good reason for the inadequacy of the data. The reason is that we don't know whether there is oil and gas out there or not. We don't know how much is there; we don't know anything about the characteristics of the deposits. So, it's literally impossible for us to provide specific information which will enable them to plan pipeline corridors to offshore facilities.

Now, this lack of data in the existing system is coupled with concern on the part of the states that our leasing procedure is irrevocable; that if we lease land to industry, we have made an irrevocable commitment to allow them to produce, no matter what the environmental consequences are.

Now, I'm not endorsing that as the rule. I would say that this is the perception that many state planners have. And the notion is that somehow we should have another decision point after that, after substantial exploration, before development proceeds, and that decision point would be based on better information, because that decision would be based on specific information as to where the oil is and where the oil is not.

A third element of the background is that we are on a sort of bilateral bargaining situation with the states. The Federal government has more or less complete authority beyond three miles, and our development plan, if we were going to operate, would have to be consistent with the coastal zone plans as they are produced, but we still have ultimate authority on development decisions beyond three miles.

On the other hand, the states have ultimate authority on pipelines within three miles and on onshore facilities. And in a situation with two groups having authority, it's possible that we end up in a very unpleasant situation where, because of the lack of coordination between these groups, development will take place in a way which is not as desirable as if the decision were made by one central group.

I see no simple solution to this problem. We are not going to take away the states' authority and hopefully they will not completely take away our authority to make decisions in terms of natural resources, but we will have to do something to see that these decisions are coordinated.

Now, that's the background for the concept of somehow separating exploration from development. Earlier this year there was a great deal of discussion and in fact, some legislation introduced to the Congress that sought to establish a separation by an exclusive, full-scale government exploration program.

Fortunately, I believe, after an extended discussion, people decided that that was not a very good idea and we are now in the process of considering alternative means of separating exploration and development. And the Department of the Interior has endorsed, at least the former Secretary of the Department of the Interior, has endorsed in principle the suggestions put forward by the National Governors' Council that we establish a sort of pause between the exploration phase and the development phase, for joint review of the development plans by the state, local and Federal governments.

Now, to clarify what this means: there wouldn't be separate auctions. The people that buy and explore this land would have the only right to develop it if development is to take place, but there would be a formal review of their planning development, providing full input from the state and local planners.

We believe we can do this within the existing law. Our solicitor has told us that as long as we provide advance notice of our intention to have this pause, as long as don't just terminate the lease, as long as we just suspend it for an

indefinite period of time, we have the legal authority to slow down or modify plans for development.

And what we are trying to do within the Department is to work out the mechanics of a system that would do precisely this, a system that would generate a sort of Federal-state consistency, allow us to meet with the states and see that our plans for developing the Federal lands are consistent with the state plans for onshore facilities and pipelines.

Now, I would like -- it sounds as if we have a solution to this problem, but before we leap to that conclusion, I would like to point out that there are a lot of unresolved questions associated with this and I just want to mention them now so that people who are interested in this problem can think about it and perhaps provide some help to both the Federal government and the states that we are talking to.

The first thing that we need to know is: what data is desirable and necessary for good onshore planning? We need to have some kind of notion of the data that the coastal zone management authorities feel they need to properly plan for facilities onshore.

We need to know whether or not the data is currently available in development plans, and how development plans should be modified to make that data available.

The second thing we need to do: we need to design a mechanism which can accommodate both major new developments, which is what everybody is thinking about, and minor modifications. I can't emphasize this point too strongly, because the problem is that there is no clear distinction between exploration and development. They are not really two distinct phases at all times.

If you will look at the Gulf of Mexico, We have been exploring the Gulf of Mexico for more than 20 years; we have been developing the Gulf of Mexico for more than 20 years. We are still exploring there. There are fields that have been developed, development plans that have been approved and simultaneously, ten miles away, exploration is still going on, so that the two things don't fall into two neat,

separate compartments.

And what we do need to do is to develop a mechanism that will say: if you have a major new field that's going to impact a functioning area like the Gulf of Alaska, certainly let the mechanism operate so that there is full formal review of that development plan. But, if there is only a minor modification of that development plan, if there is an extension of the field, surely we should have a mechanism which does not require extensive delay and review.

And this is a very thorny problem and we need all the help we can get in trying to work around it.

The third issue that we should be thinking about is the role of the environmental impact statement. Under the current system we write a single environmental impact statement at the time we lease the land for initial exploration. If we make a major point of approval of development plans, it seems very likely to me that NEPA will require that we do environmental assessment of the development plan, because it will probably be a major Federal action and impact on the environment.

Now, on the one hand that has undesirable consequences, because there would be even more delay in the process of moving ahead in the development of these needed resources. But I think if we work together in this area, it is not necessarily so. For example: if you are going to have some kind of environmental assessment process which will look at the consequences of the development on the OCS -- and most people agree that the development aspect is that which has the major impact on the environment -- if you are going to concentrate most of your environmental assessment of resources at that point in the process, then there is not the same need to spend all of the time we do now assessing the environmental impact on the lease sales.

Because the only commitment that you have when you lease land, as you know, is to allow companies to go ahead and explore and you can evaluate exploration of the Outer Continental Shelf and not have to make up these stories about what might happen if you find lots of oil or gas.

So, it's possible that we can develop a streamlined process for environmental assessment.

A fourth point that is not so relevant to the Department's deliberations, because we feel constraints by the existing law and the existing law has no room for this point, but there is on the Hill legislation which will provide for the separation of exploration and development. And in the debate over that legislation there is a lot of concern about compensation for the affected companies.

And I would just like to make one point on that: I think that anybody who proposes that the companies be compensated if their developments are not approved, either compensated based on bonuses they pay, or compensated on the value of the oil they found, they should think very carefully about how that compensation should work; because I know it will do two things:

(1) it will drive up the bonuses as we continue to lease land on the bonus system, and

(2) it will involve us in protracted struggles with the companies about determining under what circumstances the development plan is undesirable.

And I foresee great administrative problems on when to compensate a company and when not to compensate a company.

I would be glad to talk to anybody who wants to talk about this little minor point at greater length.

And finally, the fifth question we have which involves separation of exploration and development is the status of the resolution of this issue and the schedule. The State of California, for example, opposes the proposed sale in the fall of this year of the Los Angeles coastal area.

It is very concerned that that sale will take place under the old guidelines

and new guidelines will be developed for all other frontier areas. I don't know how this issue will work out. I know that I personally, and the Department as a whole, have been working with the State of California, trying to work out this process, work out this separation so we could put it into the lease language so that we can, in fact, have an approximation of whatever the ultimate policy is in terms of separating exploration and development in time for the California sale.

Now, let me turn to the third major issue facing us, and that is compensation; and unfortunately, I don't have as much to say about compensation because the Administration hasn't made a lot of progress in resolving what, in fact, they want to do about compensation.

The problem here, briefly, is that as a former speaker pointed out, OCS resources are extremely valuable. They can produce for much lower cost than alternative energy supplies that we see on the horizon. Because they are so valuable they are a benefit to the nation as a whole.

Unfortunately, there are certain coastal states and coastal communities that may bear certain costs associated with the production of these resources. And we don't have a very good mechanism for compensating those coastal communities for the impact.

Now, the Department, as you probably know, has been reviewing a whole series of options and proposals for compensation and we currently not only don't have an Administration position, we don't have any Departmental position because we don't have a Secretary of the Interior any more. And, until we get a Secretary of the Interior, we won't have a public position.

But I can indicate that at least two points that are of serious concern to us: one point is that many of the proposed options for compensation involve a great deal of quantification and definition of what is actually an impact. When is the conversion of a pier in the Boston harbor a negative impact and when is it a positive impact on the economy?

And in the Federal community, we are a little leary about getting into this business of making these hard decisions about what the appropriate level of indemnification is for impacts.

Secondly, the point that gives a great deal of concern is the tremendous regional differences between impacts. If you compare the State of Alaska with the State of New Jersey in terms of the onshore impact of oil and gas, they are entirely different propositions.

The impact will occur at different times; they will have different forms and they may be much larger in one of those areas than in another, and if you are talking about any kind of impact compensation formula, then you are faced with the fact that there are tremendous regional differences and that is an extremely difficult problem to work out in a fair and equitable manner.

Now, that's where we stand on those issues. I am ready to talk about any of the other things we have been doing over the past year, but I just thought I would review those major questions right now and I guess now I would like to just open it up for questions.

MR. ROSENTHAL: Mark Rosenthal from USC. One of the points I think I picked up in your presentation was a question of information generation for decision-making. And one of the points I would like to have some response to is a great deal of the information that surfaces on OCS impacts and OCS implications, originates from oil-related interests.

And, corresponding to this generation point, there has been an observation of growing multinational characteristics in several of these agencies. One of the points that I am concerned about is, what incentives does the Department of the Interior see for multinational corporations and agencies with multinational interests for generating information that is, in fact, in the interests of the United States?

MR. GASKINS: Well, I can only answer a more general question if I can: I think you always have to be careful about the source of your information. There is an old saying that: "You stand where you sit," and I think that's basically true of everybody.

But, in terms of information about the impacts of OCS development: in the Department we are attempting to do something about this and I know a lot of other Federal agencies are also attempting to do something about an independent source of information. For example: on the specifics of OCS impact, the Office of Technology Assessment is doing a large study of impact in the Middle Atlantic region.

The Department of the Interior is currently negotiating with the National Science Foundation to get a study done by the National Science Foundation under their auspices, not directed by the Department, to establish a sort of generic methodology for assessing onshore impacts.

In the baseline study programs we are planning to contract with universities and consulting firms to assess onshore impact for many areas, but I think you raised a good point. You know, whenever you get any probe data you have to be very careful to assess the assumptions that are made in the generation of that data, and the point of view of the people who are presenting the data.

MR. ROTE: Jim Rote, California State Assembly, Office of Research.

Regarding the Southern California lease sale, why try to approximate what the new regulations will be, when with a few months' postponement, we would know what the regulations are?

MR. GASKINS: Well, I will give you two reasons for that. One is that, unfortunately, I think that people who are writing the law have not really developed a working mechanism yet and we have found it quite useful in the past year in our dialogue with the Congress, to keep working on the same problems they are working on so that we can develop our own perspective and provide information to them. That's one reason.

The second reason is that it is not at all clear that the law will finally be enacted. If you don't think that is a possibility, look at what is happening in the House of Representatives now in terms of the jurisdictional problems and the delays involved, and look at what happened to the strip mining bill.

MR. EVANSTON: Yes, Joe Evanston, Sierra Club, Los Angeles.

Mr. Gaskins, you seem to assume that most of the concern is about compensating the wharves and things like that on the shore and it seems, at least in the Southern California lease sale, there is a great deal of concern about other things. The DOI report identifies, for example, the possible extermination of marine mammals in the Channel Islands.

How do you propose to develop the mechanisms which will mitigate these rather severe impacts?

MR. GASKINS: Well, I may not answer this question entirely satisfactorily, but I would like to make one point in connection with it, and that is in the Department we seem to respond to the people who holler the loudest and scream the loudest; and right now the people who are hollering the loudest and screaming the loudest, are people who are worrying about socio-economics and onshore impacts.

Now, it is true that whenever you involve yourself in development activities, there are certain environmental hazards and we have known about these for a long time. You know, it has been a concern in involving OCS development. We think we are taking steps, we think the environmental study program that we have been developing, will help us detect the erosion of some of the natural environment in time to do something about it.

I can't stand here and tell you that we have a plan that will guarantee the survival of any particular species. I know from other decisions in the Department that I have been involved in, the decision-makers are quite concerned about the preservation of the species and concerned that the environment doesn't suffer too greatly in the hands of resource development.

But, when I say that you are right, we are currently concerned with the onshore impacts, because that is -- there are an awful lot of people living in Southern California and they seem to be concerned about onshore impacts. It doesn't mean we are not also concerned about environmental degradation.

MR. LEOPOLD: Lawrence Leopold. University of Southern California Sea Grant Program.

It has been indicated by the Department of the Interior that there is tremendous resistance to have Federal government initially pay for exploratory down-hole core work and drilling prior to leasing for evaluation of the resource, yet the Navy recently issued a \$40 million contract to Husky Oil to do just that, only it happens to be Naval Tech 4 instead of OCS lands.

Now, in both cases they are owned national resources. What is the resistance to Interior spending less than \$40 million to hire a commercial firm to go out and drill some holds to provide a better estimate so that when those people in local government who need to attempt to understand scenarios of development, volume, rate and pace, have something better than in Southern California, where estimates range from 1.5 million barrels upward to 20 to 25 billion barrels, which is the optimistic estimate of Western Oil and Gas Association?

MR. GASKINS: This is a very, very complicated question and I think perhaps one of the best answers has been furnished by the yet, I believe, unpublished study by the Office of Technology Assessment, which looked into the whole question.

But, let me make two points about what you propose. In the first place, the Department is not adverse to spending money for core holes. (So far, we have gotten our core hold information free from the oil industry, but we are currently negotiating with the National Science Foundation for some core-hole drilling in the Middle Atlantic.)

But, that's not the issue. I think the main point is that the kind of core-hole drilling that you are talking about does not provide the information that you want. We have had two holes drilled in the proximity of a sale last January. Those holes indicated that the resource was less attractive than we thought it was, in terms of what some people's notion was of what the land was like, but it didn't tell us about what any particular tract looked like.

You couldn't identify how much oil was going to be in any particular structure, and it really was not adequate, it is not the kind of information that people are talking about when they are talking about the Atlantic --

MR. LEOPOLD: Excuse me, Dr. Gaskins. Why does the Navy think it can define its fields by hiring a commercial contractor to drill it?

MR. GASKINS: Well, you talk about --

MR. LEOPOLD: You are talking about a Federal agency defining a resource.

MR. GASKINS: Well, the legislative process is different. In order for the Navy to go ahead and produce that oil and gas, they have to produce the oil or change the law to allow leasing. Now, there is a purpose in doing that under the existing law. As you probably know, there was considerable Congressional debate about that.

If the Federal government could not develop Southern California by leasing the land with the proper safeguards to private industry, I think it's clear that we should go ahead and drill and explore. I'm aware of certain informal proposals to do precisely that on the parts of the Destin Dome which are currently under military control, because there is no way the industry can get into that regime.

But, one of the major problems of the Federal government or any centralized agency taking over the exploration strategy is that the key decision in exploring for oil and gas is: where do you put the hole and how many holes do you drill? That is the key decision.

And if you look at the history of oil and gas exploration around the world, the conventional wisdom certainly would be the wisdom that any bureaucrat would use. The conventional wisdom is wrong more often than it is right, but largely the major fields were discovered by maverick people with different ideas and they are discovered because of the diversity of the exploration process.

So what you are really asking me is: do we favor centralized control for exploration, exclusive control over exploration around the OCS. And I would probably have to say the government doesn't, and for the reasons I just stated.

MR. BEYAERT: Bruce Beyaert, Standard Oil of California.

Could you comment on why some of the states feel that they are inadequate or incapable of controlling and regulating the onshore impacts of petroleum development offshore?

Here in California, for example, we have a State Coastal Commission and other state, county and city government agencies that do have the authority to work with industry and regulate developments in state waters and onshore to assure that they are consistent with the state and local objectives.

MR. GASKINS? I think what the point is is that different states have protested that they don't have enough time. We were attempting to move rapidly into the exploration phase. And going to the Gulf of Alaska, for example, we have a proposed sale in November or December of this year. And the State of Alaska tells us, we're not going to have our plans formulated and we are not going to be able to fully plan for all of the onshore impacts by the time you have that sale.

And in fact, that is the problem in the negotiations with the State of California. The State of California says they are not going to have their plans done by the proposed lease sale. Their plan won't be submitted to the legislature until January and the legislature has a full year to review it.

Their argument is that they haven't done the proper planning, and the big debate then is, do you have a moratorium on leasing and exploration now so that everybody can get their planning house in order? And that's the basic issue we are struggling with, trying to move ahead into the exploration phase and still provide the states with the proper data at the proper time to do their planning for onshore impacts.

MR. CONNOLLY: Our next speaker is Mr. Barton House, who is the Associate Assistant Administrator for the Program Development in the Federal Resource Development Program in the Federal Energy Administration. He is responsible for energy resource supply analysis and formulation of integrated programs to increase domestic production.

Mr. House was instrumental in developing the energy supply input into the Project Independence Blueprint, and he has served as a member of the blueprint management team, and was responsible for integrating the actions of the nine-member agency fuel supply task forces.

Prior to joining the FEA in May of 1974, Mr. House was Operations Research Analyst and the group leader at the Concepts Analysis Agency, Department of the Army. He has a bachelor's in chemical engineering and master's in Operations Research from New York University, and when the press of business allows, he likes to afford himself the opportunity of utilizing the coastal zone and sailing in the Chesapeake Bay.

Mr. House.

MR. HOUSE: You have all been sitting longer than anybody should be required to sit, so if you feel like stretching, I won't mind at all.

Today I hope to accomplish three objectives:

(1) to explain the Administration's program on energy facilities development;

(2) to allow you to assess its compatibility with coastal zone management planning; and

(3) to establish a communication link between us.

The problem in developing energy facilities is somewhat like, "Lord, give me chastity -- but not just yet!" Everyone wants, even demands, energy, but many won't let the producer move into their neighborhood.

At FEA we have difficulty finding that mythical community which will house an energy facility which ships out its product to someplace that wouldn't let it there in the first place.

In the next decade alone, according to some estimates, we must nearly double our production capacity. For every energy facility now in existence, a new facility, or its equivalent could be necessary.

President Ford, in his State of the Union message in January, noted that the nation by 1985 will need the equivalent of 200 new 1,000 megawatt nuclear electric generating plants, 150 new 800-megawatt coal-fired plants, 30 new major oil refineries and 20 major synthetic fuel plants.

Not only will the capacity of our energy facilities likely double in the next ten years, but we shall also be developing new types of energy activities before the year 2000. These may include floating nuclear power plants, coal conversion facilities, plutonium breeder reactors, large geothermal and solar facilities and extremely high voltage transmission lines, to name only a few.

Many of these facilities will have specific and unique effects on the coastal zone areas.

I am not here to specifically argue the merits of any of the possible energy development options. What I would like to do is briefly outline our proposal for developing comprehensive, rational planning of energy facilities.

I do feel that the program I am outlining is not only compatible with, but complements coastal zone management and will be a source of both data and analyses

that can assist ongoing program planning in the coastal zones.

The President has proposed the Energy Facilities Planning and Development Act of 1975. The act contains five basic tools to solve problems associated with an energy development:

- (1) an energy site and facility report;
- (2) state energy facility management programs;
- (3) interstate compacts;
- (4) state and regional energy development and administrative grants;
- (5) expedited Federal approval process.

The national and state management programs will form an analytic framework for more effective energy policy and development decisions. Together, they will provide an indication of where we are going in our national, regional and state energy development, and general guidance on how to get there.

Through the interstate compacts, states may join together to provide the critical regional perspective of our National Energy Management Program.

The expedited Federal approval process, coupled with the state management programs, should substantially reduce the regulatory review delays in the energy development process.

The program covers the following types of facilities:

- (1) power plants with 300 megawatt capacity or greater;
- (2) refineries with a consumption capacity of more than 50,000 barrels per day;
- (3) synthetic gasification plants, oil shale processing plants, coal liquefaction and gasification plants, liquefied natural gas conversion facilities, uranium enrichment facilities;
- (4) offshore loading or marine transfer facilities;
- (5) transmission lines and pipelines.

I would like to briefly cover those components of the program that are specifically relevant to ongoing coastal zone activities.

When coupled with the state energy facility management programs, the national report will provide public and private decision-makers at all levels the guidance much needed for the rational, effective development of our energy resources.

The report will analyze short-, mid-, and long-term demands and indicate in general the number, types and general location of facilities required to meet national energy objectives. The report will be developed on a regional basis, in consultation with the states, regional and local planning bodies, as well as industry and other Federal agencies.

And I want to stress: the report is not a plan. The report will not require; it will inform. It will essentially consist of two categories of information, inventories and analyses. It will provide a base to help form national, regional and state plans and programs.

The national report will review such areas as:

- inventories of existing facilities, and
- present and projected energy needs and demands.

Analysis will be performed in such areas as:

- the impacts of conservation on production capacity and demand, and
- the availability or shortfall of facilities and facility sites.

And probably the most important, the alternatives available. For example, what alternative and how much capacity can be increased from existing sites? You have power plants that maybe have four units in them and why not put a fifth and sixth in? What does this alternative look like?

This is the type of thing we attempt to look at in the national report. Environmental impacts of the different facilities are being looked at. Financial and public service requirements of various facilities will also be reviewed.

The national report is to be completed within one year of the enactment of the legislation and then reviewed and updated periodically.

I believe, when completed, it will provide the first national overview of energy facilities siting requirements and options that we have.

Let me turn now to state management programs. The specifics of the national energy facility siting picture must come from the states. The state program will cover four basic areas:

- (1) a process for reviewing and acting on energy facility applications;
- (2) a state energy facility planning process;
- (3) procedures to ensure that state decisions on applications of site, construct and operating energy facilities are final; and
- (4) coordination of the siting process within the states' overall land use programs.

The emphasis in this part of our proposed program is on process, not specific sites. The national interest lies in seeing that the states develop the balanced capability to deal effectively with siting activities, recognizing both the need for energy and its associated impacts. The specifics of what is to be done remains the state prerogative.

Currently, some 21 states have implemented, in one form or another, energy facility development management planning.

Under the program, states must develop their programs within one year of the publication of the national report, presumably two years following passage of the Act. Work on the programs may begin while the national report is in process.

Streamlining the application and approval process for the energy facilities is also extremely important. Five of the provisions of the program relate directly to the application process. They are:

(1) development of a coordinated review and approval process at the state level to ensure processing and final decisions within 18 months;

(2) procedures to ensure that decisions of state agencies on the application are final;

(3) procedures for locating transmission lines and pipelines to minimize environmental impacts, and to maximize multiple use of energy and transportation corridors;

(4) procedures to ensure public participation in the energy facility planning process and in the administrative process for energy facility site designation and approval; and

(5) procedures to ensure that an energy facility site and selection process is compatible to the extent possible with state land and water use planning and approved coastal zone management programs.

Establishing procedures for generation of the necessary information should result in more effective decisions; in addition, when coupled with early public participation, a solid information base would presumably reduce the number of actions required, especially legal ones, on an energy facility site, the fourth highest category of reasons for energy facility delays.

Another provision of the state energy facility management programs, and a major one, is the requirement for the establishment of:

" . . . procedures to establish and update energy facility plans to reflect current and projected state, regional and national needs." The intent here is to require each state to develop an energy planning data base within its state.

Through the state energy planning process, a great variety of factors are involved in the energy siting decisions, from the state perspective, and could be coordinated into an effective, rational, timely planning program.

Under the proposed program, state plans must include at least the following:

- identification of intermediate and long-term energy demand, on-line energy facilities, resource availability, facility requirements and conservation programs;
- identification of how regional and national needs are being or will be satisfied;
- identification and assessment of major energy production and conservation problems and planned actions in these areas; and
- identification and analysis of alternative methods for meeting energy requirements, including evaluation of economic, social and environmental impacts.

It is expected that this state planning process will provide a firmer base for siting application development, evaluation and consideration. As a result, delays, legal actions and uncertainties should be minimized.

Actions of the administrator also could cause him to preempt the state, if it does not promulgate the plan. That part of the problem is where we have had difficulty with energy facilities sites.

The FEA Administrator could, if he so determined, not approve a state program and there is where we have had some problems in the past. But a key factor in any actions taken by the administrator is, if he did not approve the program, we at FEA must promulgate one and then promulgated programs will be implemented by the state.

I would like to briefly turn to the program development administrative grants aspect. The FEA administrator is authorized to make grants to the states, two-thirds Federal and one-third state, to cover the costs of developing, initiating and administering an approved or promulgated management program. \$20 million a year for five years would be approved.

Interstate compacts would also be funded by this grant program.

Finally, in closing, I would like to meet my third objective. My phone number is 961-8215 and I am at FEA headquarters and I am new here on the block and I would like to meet all of you and any questions that I can't answer today, you can sure get through to my business phone. And I will take any questions.

MR. CONNOLLY: Any questions?

MS. GAMAGE: Mr. House, I'm Stewart Gamage from the State Department of Planning of Virginia in Coastal Zone Management.

My question is that the bill you have outlined for us today possibly stands a very difficult time, if any time at all, in Congress. What are you all prepared to do as an alternative if this doesn't go through?

MR. HOUSE: Well, you have asked the question and let me say that what we are trying to do right now is concentrate on the national report which, to me, is the key. We are moving out very smartly on developing emphasis on a national report, while looking at the Federal regulatory applicant process. So, we are developing those areas of proposed legislation that we feel we have authority already to work on. And if it doesn't go through, then we will have to, you know, stand back four yards and punt.

But we will have at least worked on the national report and in an effort toward expediting growth.

MR. HILDRETH: Richard Hildreth, University of San Diego.

How does this legislation attempt to coordinate, if at all, with the Coastal Zone Management Act and the state plans thereunder?

MR. HOUSE: The question is: how does this legislation attempt to coordinate with the coastal zone management programs the plans we are now working on.

That's Bob Knecht's and my job, if and when we get some legislation. Bob and I are the contacts, and the groups are, to an extent, compatible and that is up to us to work on, but the intent is in the regulation and promulgation of the regulations

is to make sure that they complement each other and that they are consistent where possible.

MR. CONNOLLY: Any further questions?

Thank you very much, Barton.

The first speaker of this session will be Pamela Baldwin. She is with the U.S. Senate Commerce Committee and I am sure that many of you are familiar with the book she and her husband have written, "Onshore Planning for Offshore Oil: Lessons from Scotland."

Ms. Baldwin has been active in environmental work since 1970. She has held positions with the Ford Foundation Energy Project, the Institute for Study of Health and Society and the Environmental Law Institute.

Since completing work on "Onshore Planning for Offshore Oil," she has joined the staff of the National Ocean Policy Study of the U.S. Senate Committee on Commerce, where she continues to be involved in the subject area of OCS development coastal impacts.

Prior to her environmental energy work, she received a Bachelor's degree from Brown University and also studied at Swarthmore College and at the University of Pennsylvania. She did some part-time teaching of history at Swarthmore Public Schools and at Mt. Vernon College in Washington, D.C.

Now I would like to turn it over to Pamela Baldwin.

PRESENTATION OF PAMELA BALDWIN

U.S. SENATE COMMERCE COMMITTEE

MS. BALDWIN: Thank you, Matt. I must say I became a little alarmed at breakfast when I heard the announcement that all wives were to go off someplace on a bus for recreation for the day. But, since there seem to be a respectable number of other wives here, I guess it's all right for me to be here.

I should say that my remarks this morning are only indirectly related to the work I am involved in at the Commerce Committee, and are results of the study which Malcolm Baldwin and I did in Scotland with a grant from the Conservation Foundation.

We were neither the first nor the last Americans to go to Scotland to look at the North Sea oil experience there; in fact, Americans have made a long stream of pilgrimages there, much to the puzzlement of the Scots, I think. The most recent manifestation of this is a visit this week by some 30 people sponsored by the American Petroleum Institute.

While in Scotland, we were constantly asked why we should come to Scotland to learn about oil when you have had offshore oil experience here in the Gulf of Mexico for 25 years? There were several reasons why we looked to Scotland for insight as to what we might expect in frontier areas in the U.S.

In the first place, the offshore oil industry is completely new to Britain, as it will be to the Atlantic coast and largely to the Pacific coast, except for the Santa Barbara strip and to the Gulf of Alaska.

And I must disagree somewhat with Mr. Cross, who said that the entire East coast was highly industrialized. There are, of course, many very remote regions of the East coast, particularly up in New England, and virtually the entire coast of the Gulf of Alaska is undeveloped, possibly as much as the Scottish coast.

We felt that this parallel made the Scotch experience very relevant to the U.S. Also, the offshore industry in the Gulf of Mexico was simply a moving offshore of an industry that had existed for some time onshore, complete with its refineries and its work force and its wells. That made the transition to the offshore developments a lot easier.

It took 20 years of Federal development in the Gulf to reach a production of a million barrels a day, whereas, a buildup of the North Sea to a million barrels a day will occur within the next four years, production beginning this year.

And, depending upon our success in finding oil in the frontier OCS in the U.S., the need for domestic supply and the anxiety over foreign sources suggests a similar amount of build-up here.

We also wanted to look at an area where there was an existing planning mechanism. As many of you know, I am sure, Britain has had comprehensive land use planning for many years and we wanted to see how this mechanism would affect response to offshore oil.

On the other hand, Britain does not have a comprehensive environmental law like NEPA, so we were also interested in the absence of an impact assessment requirement and how that would relate to their experience.

We were aware when we went into Scotland that production of oil in the British sector of the North Sea had not yet begun, and we were anxious to see just how extensive the onshore impact would be during the pre-production period. We were interested in each of three phases:

- (1) the exploration phase;
- (2) the development phase, which is really at its high point now in Britain; and
- (3) a projection of what will happen during the production phase.

We looked at a variety of onshore facilities. We investigated harbor supply bases for vessels, servicing both exploratory rigs and permanent production platforms. We surveyed onshore construction sites for production platforms as well as pipelines and their onshore terminals and separation plants, tanker terminals and tank storage farms and, of course, refineries.

We were equally interested in the secondary impacts onshore, that is, the effects on housing, employment, income levels, prices and unquantifiable impacts on communities and lifestyles.

Our major conclusions from the study were, first of all, that the impacts seemed to occur in a bell curve pattern with a peak occurring during the development phase. Construction is a highly labor-intensive activity, and therefore, there were more people involved in the oil business during the period between exploration and production than there are at any time before or after, and it was during this peak period that we were in Scotland.

We also concluded that the major impact comes not from oil company activity per se, but from support activities such as construction. For that reason, it is important for citizens and the state and local governments to be talking, not only to the oil companies who are going to be operating nearby, but also to support industries such as the platform construction companies and the service companies that run the vessels to and from offshore facilities. We found that the sudden population impacts have marked results in housing supply and in prices. Aberdeen, Scotland, is now the most expensive place in Britain (aside from London) to buy a house; house and land prices there have more than tripled since 1970.

We were also interested to discover that the magnitude of development and the relationship between each community's experience and the overall central planning and pressure for energy and economic policies which comes and emanates from London, much as ours from Washington, was such that the local preeminence that is in their planning tradition, was very much threatened by pressure from London. Britain, as many of you know, is going through a very severe economic situation at the moment, and the pressure to bring oil forth as rapidly as possible and in as large quantities as can possibly be arranged, works its way down to a specific planning decision for or against a facility. Local planners told us again and again that they feel a certain amount of guilt, if they are either delaying or opposing a local development, because they are so concerned about how this relates to the whole British economic energy picture.

We found that, although there is no legal requirement for environmental impact statements, in many cases they have been more or less invented by the British, because there was a need for information which can only be filled by a study of the potential impact of a particular development. This need has been filled largely in Scotland by private consultants hired by local governments, by the Scottish government and in a few cases by the UK government.

We were interested in the variable impact on communities of different sizes and were particularly interested in Aberdeen, which is a city of 185,000 people, and the much smaller town of Peterhead, about 30 miles away, which is a community of about 14,000, and the Shetland Islands, which have a total population of about 18,000. Shetlanders are very scattered over more than 100 islands, which are, therefore, very sparsely settled.

Aberdeen, before oil, had a diverse economy based on fishing and miscellaneous industry and trade, and was also a large university town. About 10,000 people in the Aberdeen area work in fishing and related jobs. There are about 100,000 tons of fish landed there each year and about 125 fishing boats use Aberdeen Harbor as their home port. Many more come to market their fish in Aberdeen from other places, such as the Shetlands.

We found that the social impact of about 5,500 newcomers, a large majority of them Americans, was seen in a variety of ways. Britain is perhaps not the easiest place in the world for rapid assimilation to take place, although I must say we found it to be an extremely friendly place, but there doesn't seem to be a great deal of socializing between the Americans and the Scots.

There are lots of American-related businesses springing up in Scotland; for example, on the main street of Aberdeen is a large red, white and blue shop called "The Great American Pant House," where you can buy jeans and jean jackets and stetson hats and so forth. There is an American school in Aberdeen and there are American clubs, petroleum clubs, petroleum wives' clubs. There is a definite tendency among the Americans to socialize among themselves.

In terms of labor, one of the concerns in New England has been that the oil development would draw workers from the fishing industry and this is, I think, a real concern in New England. It has not happened in Scotland, however, because the fishermen in Scotland at the moment are extremely prosperous. It is possible for a fisherman to earn \$500 a week and that is not at all unusual; therefore, the fishermen have been one group in which the wage disparity between oil jobs and non-oil jobs has not existed, so they haven't been lured away to higher-paying oil jobs. This hasn't been the case, though, in fish processing, in boat repairs, and other support industries for fishing. People told us it was very difficult to get car repair work done or a house worked on in the area because people with mechanical skill are in great demand in the construction related to oil and have been attracted to the oil businesses because the wages are higher.

In 1969 the Michelin Tire Company built a large new plant in Aberdeen because it was just about the right size to meet the development needs of the community at that time. Since then, Michelin has had a very difficult time keeping its work force; it has lost many workers to the oil industry because of the wage difference. The wage problem was all the more severe in Britain in the early 70's, because at that time wage controls were in effect and they affected all of the other industries, while the oil industry, coming in as a new industry, could set its base salaries wherever it wished.

Aberdeen harbor is the major focus of oil development in that city. The harbor has been completely reconstructed since 1971, with a great deal of money from the central British government. There are nine service bases in Aberdeen now serving offshore rigs. While reconstruction was going on and there was a great deal of crowding in the harbor, there were reports that the oil developments in Aberdeen Harbor were responsible for a large fishing fleet leaving the harbor to move to Peterhead. We had heard this before we went to Scotland. While there, we asked about it and were told that while the crowding was a problem, the major

reason for the move was that Aberdeen is a total unionized port and the fishermen had to pay unionized dock porters to unload their catch. It's very expensive to operate under those restrictions. There seemed, then, to be economic factors and labor factors not related to the oil which drove the smaller boat owners to Peterhead, rather than the oil developments.

Aberdeen is also seeing development in a wide variety of other industries, such as diving companies, drilling schools, oil tool manufacturing companies, drilling mud manufacturing, and helicopter operations for the offshore platforms. These have, for the most part, been directed to what British planners call "industrial estates," which are land parcels purchased by the local government and set aside so that when a new company comes in and asks for a site, there is already a place for that company to go.

This kind of planning has been effective in preventing a disorganized sprawl in the Aberdeen area. On the whole, I would say that for the average resident of Aberdeen, the major impacts, if one is not directly involved in the oil, have been economic. They are obvious in the prices of food, prices of housing and so forth, but otherwise it is possible to live in Aberdeen and pretty much ignore the oil development.

This is less possible 30 miles north, in Peterhead, where the population is about 14,000, but it is expected to reach 16,000 by next year. Peterhead has always been a fishing center and was the whaling capital of Britain, and then the herring capital and now it specializes in nearshore whitefish. Here again, fishermen are very prosperous. It is important to point out that the sudden prosperity of the fishing industry has nothing to do with any increase in productivity. In fact, between 1970 and 1971, while the fish catch rose by only two percent, fish prices rose by 25 percent. This unprecedented inflation has been the major factor in the fishermen's current prosperity.

Peterhead's harbor was immediately attractive to the oil industry for development, but until 1973 there was a legislative barrier to any commercial development in the harbor and it took an Act of Parliament to lift that ban. That act was passed in about three months' time in London, of course, with very little local participation by Peterhead residents in that decision.

Since then, Peterhead harbor has become the home for two service and supply bases; it has become the repair stop for pipeline-laying barges, drilling rigs and drill ships. It is unusual to go to Peterhead and not see two or three large oil vessels in the middle of the harbor. Peterhead is also having constructed a tanker berth to handle two 40,000-ton oil tankers, not for crude oil, but for fuel oil to run a new power plant in the area. And, because there is a gas pipeline coming ashore a few miles from Peterhead, this tanker berth may also be used eventually for ammonia tankers.

The gas comes from the Frigg Field, which happens to lie on a boundary between the British and Norwegian sectors in the North Sea. The gas is therefore partly the property of Norway. It can't be piped to Norway because of a deep trench in the North Sea. It will be piped to Peterhead and transformed into ammonia to be shipped back to Scandinavia for fertilizer production.

So, this small town will have more heavy industry than Aberdeen, and the impact will be magnified by the smaller base with which Peterhead began. Because of its small size, Peterhead is also experiencing a more profound social impact from newcomers brought by oil. By 1976, there will be 450 direct oil jobs in Peterhead and 750 indirect and these figures are multiplied by 2.3 to arrive at the total projected population increase.

The Shetland Islands, unlike Peterhead and Aberdeen, are very remote and quite far north, 62 degrees north and can only be reached by air or by an overnight voyage. It became apparent in 1973 that the Shetland Islands were going to be a major oil center, while up until that time it had been assumed that the major oil deposits

lay in the central and southern part of the North Sea. Beginning with Shell's discovery of the Brent Field in the Shetland Basin, that view was revised, and it now appears that by far the vast majority of oil in the North Sea does lie in the northern basin just east of the Shetland Islands.

Given the economics of subsea oil pipelines, which make it from two to seven times as expensive to lay pipe and transport oil underwater as underground, the companies prefer to pipe oil ashore at the nearest possible point -- and that means Shetland. The plans are for at least four pipelines to go ashore at Shetland, and then the oil will be transported by tanker from Shetland to mainland Britain, to other European refining facilities, and perhaps to North America.

It is also possible that Shetland will become a major transshipment terminal for Middle Eastern oil. North Sea oil is very light oil, and in order to meet European market needs, which are predominately for heavy fuel oil rather than lighter aviation and gasoline needs, it must be blended with a heavier crude, and this means Middle East crude. So, while Britain will be self-sufficient in strictly quantitative terms, in fact she will actually be both an importer and exporter of oil. The Shetland Islands are a logical place for very large tankers of up to 700,000 tons, which would come around the West Coast of the British Isles to a transfer point in Shetland.

It is also possible that Shetland will be the site of a refinery sometime in the future, although there seems to be almost unanimous opposition to that among the Shetlanders. Interestingly, though, in setting aside a site for the pipeline terminal and the tanker transport terminals in the islands, the Shetland County planners also set aside a site for a refinery, saying in effect, "We don't want a refinery but if there is to be one, we want to be sure that we know where it's going and we want to be sure that it goes next to the tanker terminal and not someplace else in the islands, so we are setting aside a site against a refinery, not for a refinery."

Shetland is a unique place in that it has absolutely no trees. It is a very harsh climate. In the wintertime, it is dark most of the time, and for this reason serious consideration is being given to underground storage of oil at the tanker site. What they call the "Shetland factor," which is a combination of extreme cold and darkness, makes it very difficult to work outside in the wintertime. Underground storage would be a way to address that problem.

Shetland was one of two counties in Britain which had never developed a comprehensive plan under the Town and County Planning Act before oil came. The reason they had never done so was simply that there was no development pressure there, so it didn't seem worth the time and the money. Also, the Shetlanders didn't have professional planners or a planning staff, and didn't see any reason to acquire them -- until oil came.

However, once it became clear that Shetland was going to be the site of oil development, they wasted no time in getting themselves organized. In early 1974, they succeeded in getting through Parliament a special act called "The Shetland County Council Act," which gave that council extraordinary powers which no other county in Britain has, including the right to regulate pipelines out to three miles and the right to 50-percent ownership of any onshore oil development. Thus, the Shetlanders will be 50-percent owners of the large tanker center in Northern Shetland.

Shetland's share of the ownership investment is to be paid for through a tax on the oil coming ashore at Shetland, but since that won't be available until oil is actually produced, Shetland also negotiated with the oil companies for advance payments. They have, in fact, already received the first three payments.

The oil companies were quite surprised, in going into Shetland, to discover the tremendous determination and participation that the local people had. There is a story that, during one negotiating session between Shell Oil and the County Clerk, Shell's executive threw up his hands and said, "You know, if you Shetlanders are going to be so difficult, we can always take our jobs and our economic

development and go south to the Orkney Islands instead," The county clerk stood up and said, "That's the best news we have heard since you arrived."

Negotiations did resume, however, and development will go forward, but it will go forward on Shetland's terms and will only go in one particular site, called Sullom Voe.

Shetland County officials also commissioned various studies, some of which were paid for by the Scottish Development Department and some by the industry, to assess the impacts and make plans to cope with the onshore development.

The area where the tanker terminal will be is called Sullom Voe and the major controversy there was the question of where to put the new population that would result from this development. There was very strong local support for new towns. There was a feeling among the Shetlanders that if you could isolate all of the new people in one place instead of causing sudden growth in the existing small communities, which average about two or three hundred people, it would be very effective in maintaining the character of the present villages.

However, the county government felt this would be unwise, because there would never be any real assimilation between the native Shetlanders and the newcomers. They were also concerned about practical problems of creating a new town from scratch without any existing public facilities. So instead they decided to enlarge four towns around Sullom Voe and for each town to emphasize certain kinds of activity. One town will be the educational center, another will have health facilities and so forth.

The single largest source of controversy surrounding North Sea oil appears to be in the siting of production platform construction yards. This industry that builds platforms to be installed offshore before production begins. These are not drilling rigs; they are permanent platforms that are fixed to the ocean floor and they are there for the life of the field.

Before the North Sea development these platforms had always been built out of steel. The North Sea was a new venture in terms of water depths, and because of this, there has been a shift by many companies to concrete platform construction. This has had significant impacts on the onshore facilities that are needed for construction.

Steel platforms are built on their sides and are usually built in a drydock which is flooded on completion so the platform can be floated out sea, turned up right and attached to the ocean floor by pilings.

Concrete platforms, on the other hand, are constructed vertically, beginning at the bottom and with each successive part added on the top, which means that the water has to be extremely deep at the construction site and for the entire marine navigation course between construction site and the final destination of the platform.

There are very few places, either in Scotland or in the U.S., where the coastal water depth is sufficient for this kind of construction. In Scotland, the suitable sites happen to be on the west coast, away from the oil development and where the population is very sparse and the scenery is spectacular. Those of you who have been there know that this is one of the most beautiful places in the world.

There was a particular controversy relating to concrete platform construction on the west coast that reached its climax while we were there. This was in a tiny town called "Drumbuie," which has a population of 27 people. It is reached from Inverness by driving two-and-a-half hours on single-track road, which requires coming to a full stop and going completely off the road if someone comes in the other direction.

It is just opposite the Isle of Skye. It is a community where most people earn their living by holding two jobs, one of which is "crofting," or small farming involving shared pasturelands and a very small amount of cultivated land. But crofting alone is not a very viable way to live these days, so crofters usually do that part-time and usually do something else part-time.

There was a proposal to build concrete platforms at Drumbuie. It would have involved bringing in 1500 workers to a town of 27 people; it would have involved bringing in high-voltage power lines and large quantities of sand and gravel for the concrete and upgrading the roads into the area, plus a large amount of sea traffic, because the remoteness of the site would require bringing in most of the materials by sea.

The proposal was tremendously controversial and resulted in a very lengthy public hearing or inquiry. According to British planning procedures, when a development is either not consistent with comprehensive planning that has been developed already for an area, or when its impact is more than local in significance, or when the Secretary of State for Scotland -- who is somewhat comparable to our state governors in his relationship to the central British government -- when he decides that there is a significant controversy, he can "call in" a decision. In effect, he preempts the local county decisionmakers and announces that he will make the decision, pro or con, and he will base his decision on the results of a public inquiry.

Such an inquiry is a formal adversary proceeding in which people speak for the developers and others speak against the developers. The Drumbuie inquiry lasted 43 days. It broke new ground as the first that included a presentation of an impartial fact-finding report, commissioned by the Scottish Development Department and carried out by consultants. It was, in effect, an impact statement.

The Secretary of State appoints an official reporter for such hearings, who sends him a summary of the testimony and a recommendation as to his decision. The summary report is made public immediately, but the recommendations are kept secret until after the Secretary's decision is made. And the decision is to be made solely on the results of the inquiry and not on other matters which may come up.

In the Drumbuie case, the Secretary of State decided against the development. He cited several problems that the reporter had listed in his report, including the visual impact, the profound social impact on a small community, the difficulty of getting additional electricity into the area, and the intolerable noise level.

But, he said, each problem alone would be insufficient cause for turning down the application. And he never did say exactly why he turned it down, but it seems clear, and I think it was generally accepted, that the major reason he turned it down was that the particular piece of land that was to be used was owned by the National Trust for Scotland, which is an organization somewhat similar to the National Trust for Historic Preservation in this country. The Trust acquired the land through the will of the former landowner, who said that it should be kept in perpetuity and used by the crofters in the area and not developed. To undo this would have required an Act of Parliament. So that even if the Secretary of State had approved the platform site, it might not have been able to go forward.

About a month later, the Secretary of State approved a concrete platform site just a few miles away from Drumbuie at Loch Koshorn, an area with a community just as small, scenery just as magnificent, and transportation problems just as formidable. In that case there was no public inquiry and no impact study, because the Secretary of State said that all the factors that were relevant at Drumbuie were also relevant at Koshorn, but of course the one factor that was not relevant was the ownership of the National Trust.

So, on balance, it's hard to say whether Drumbuie was a good or bad decision, because the environmental and socio-economic problems of Drumbuie are just as present at Loch Kishorn where concrete construction is now going forward.

I would say in conclusion, that when we came back from Scotland we didn't try to assess the Scottish experience as either good or bad, or try to take a stand for or against offshore development in this country. But we did reach some conclusions about what was needed in this country, and certainly coastal zone management and planning is our best hope for accepting OCS activities without undue social or environmental consequences. The Scottish planning structure has been strained by the pressure for rapid development, but it has clearly helped to minimize excessive, sprawling adverse impacts.

There is clearly a need for environmental assessment of any offshore development. We learned a lot about socio-economic assessment from the reports that have been done in Scotland. But there is clearly a leadership in the ecological assessment area in the United States which doesn't exist in Scotland. For example, one thing that astounded us in reading the report on Drumbuie, was a description of the site where the platforms themselves would have been built. The report stated that it really wasn't necessary to list all the various flora and fauna that were there, because they were all going to be obliterated.

There is a need for time to coordinate among the various levels of government. There is the same tension between Federal, state and local governments here that we found in Scotland.

Finally, it is impossible to assess the likely onshore impact until the magnitude of the oil find is known. For this reason, we would strongly endorse some mechanism for separating decisions to explore from decisions to produce, with a full-scale review of development plans and an impact statement at that point.

I would be glad to answer your questions.

MR. CONNOLLY: I think that what we will try to do, given the time that we are confronted with, is just hold off on questions for the time being.

If there is some time left then we can open it to questions of the panel. If not, then you may wish to discuss things with her personally. We are considerably behind schedule right now and would like to move on to Mr. McCloskey.

I would like to introduce Mr. Michael McCloskey to you. I am sure many of you are familiar with him. I believe he spoke to us in Charleston last year.

He is a graduate of Harvard College, and also holds a degree of law from the University of Oregon. He is an author of numerous articles and has been widely published throughout the nation. He is Executive Director of the national Sierra Club.

Now, during his particular tenure in that position, the club size has doubled, since he took over the position in 1961. He is now going to address us in regard to some of the Sierra Club's opinions and policy matters regarding OCS development.

Mr. Michael McCloskey.

PRESENTATION OF MICHAEL MCCLOSKEY

EXECUTIVE DIRECTOR, SIERRA CLUB

MR. MCCLOSKEY: Thank you, Matt. It is a pleasure to be at this coastal conference once again.

This morning, in listening to the opening session, I had a feeling that much of it had a familiar ring to it and as a result I thought I would spend a minute or two commenting on some of the observations that were offered, particularly by Mr. Cross of the API, which you might expect.

He suggested, you may recall, that the Alaska pipeline might well have been completed early enough to save the country any trouble with the Arab oil embargo and price rises and so forth. I would suggest that this is a grossly oversimplified appraisal of that situation.

In fact, I think it is doubtful in any event, even if the environmentalists had gone away and had somehow evaporated from the face of the earth, that they could have physically gotten the work done in time. But, regardless of that, I think it is instructive to note that even the Alyeska Pipeline Company itself, admits that its initial plans were ill-founded; it admits that it had not sufficiently studied the permafrost problem that could lead to failure of the pipe and pollution of the terrain and massive erosion, and they had to reengineer the whole pipeline as a result of the studies done by the USGS, which did them in response to the public clamor.

So, even Alyeska admits that the pipeline is a better design as a result, and would it have wanted to have done less?

Also, the suggestion was sort of let loose that somehow the country could have, if the pipeline had been completed, avoided confronting the change in policies of the Middle Eastern oil producers.

Now, certainly if the oil had been available, perhaps we would not have imported as much; but of course, it is a basic fact of life that the rise in the price of imported oil from the OPEC countries, would have occurred, regardless.

And a major economic impact stems from that decision, which perhaps is not bad medicine totally for the country either, because the abrupt rise in price, the quadrupling in price, has been a significant factor in dampening demand in this country for oil and indeed, if the oil companies get their way and have all of the price controls removed from oil, the old oil as well as the new oil, the general price of oil will be very near, as far as the consumers are concerned, to the price of OPEC oil. The average is much higher, too, producing the overall dampening in the demand.

And this leads me into an observations about the suggestion that OCS oil is such cheap oil. Well, perhaps some of the tracts may be relatively inexpensive to produce, as far as the producers are concerned, but of course they won't charge the consumers a price commensurate with that cheaper production cost. The consumers will be charged for the new oil, the price that's near the price of OPEC oil. There would be no great bargain to the consumer.

And, indeed, I think there is doubt about how much of that inexpensive oil there may be. No one really knows. The USGS has recently scaled down its estimates of how much oil we have left and we are told by the API that we only have a decade or two left of oil, period, onshore and offshore. And it doesn't really make sense to accelerate our offshore leasing to quickly exhaust whatever remaining store that we have.

I think this is very dubious. I might also add that when the oil is leased off at an exceptionally rapid rate, I think there is a lot of doubt about whether this will be a good bargain for the Federal treasury either. Certainly there is a limit to the production capacity of the oil companies, their ability to explore and develop our offshore oil; and there will be shortages of drilling pipe, drilling rigs and drilling crews.

If the Administration had its way and was leasing off these fantastic amounts, which amounts seem to vary in their policy statements, that if it's pushed unduly, I think there is real reason to be concerned about the Federal government netting out less over the course of time to the Federal treasury than it might otherwise.

I would also like to comment on one of the standard observations that is made by API, that they made their studies and the environment has not suffered from their activities and that oil spills have only been four in number, and therefore it's not much of an environmental problem.

Well, to begin with, the environmentalists have not been contending that the principal danger of offshore drilling stems from blow-outs and from major spills; they, indeed, are rather exceptional events. We made a point that the greatest danger, which Mr. Gaskins later mentioned, is the onshore development, if it is not properly planned and controlled and limited in scope and nature.

And also we have grave concerns about the effect of chronic low-level pollution from oil seeping from couplings and transfer points on the production train. There is reason to fear that this may have an adverse effect upon the biological productivity in the seas, upon plankton productivity and upon juvenile and other viable forms of sea life.

The discussion about fishing was often alluded to. In the Gulf of Mexico, it is stated, they are no worse off as a result of the 20 years of oil production, but this also rather misses the point. While some fish may be drawn from other places to the platforms, the overall figures cast a lot of doubt upon whether there is really any increase, as the oil companies claim, in the numbers of fish. There may instead simply be an increase in the fishing pressure. There may be an increase in the amount of energy and gear that has to be used for each fish caught.

And indeed, the recovery of fish per unit or per effort invested or per dollar invested, may actually be going down. The fundamental problem, of course, is that there are still not really good studies on what is happening to large ecosystems in terms of the effect of the chronic low level of oil pollution on the whole manner of life.

The oil companies, of course, have subsidized certain researchers, who all too predictably, produce the kind of results that please their benefactors.

Now, the third concern has been the effect of oil drilling, offshore drilling, upon bottom flora and fauna, the deposition of drilling muds and other chemicals on the sea bottoms. A lot is not known there, but there are, of course, reasons to be concerned at least by the analyses that have been done to date.

I might add that one of the great anomalies in all of the great rush to develop offshore oil is that we really don't have the kind of even-handed approach to zoning the seabeds the way we do land work areas. On land we designate certain areas for heavy development and certain areas for light development and certain areas for biologically productive areas; farming and so on; and certain areas as nature reserves. But this Administration has no concept that the even-handed approach should take place offshore, instead, its only preoccupation is on the areas for development.

Indeed, Congress has given them a law to allow marine sanctuaries to be set aside as nature preserves for areas that are biologically sensitive or productive. And to date the dismal report is that only one area of a few acres has been set aside, of all of the OCS areas this nation attempts to control and that, ironically enough, is not around the area of biological importance but the wreck of the USS MONITOR from the Civil War.

I might just comment briefly on one of Mr. Gaskins' interesting observations that the Interior Department is considering a process to pause between the exploration phase and the development phase to look at the information at that point and to do initial environmental studies. This is intriguing, but leaves us still with the basic question of whether the development phase might then be cancelled, conceivably in light of the information that is then developed.

Well, I think we are confronted here with something of a Catch 22 situation. If the exploration yields little prospect of successfully developing the oil, of course they won't go forward and the question is moot about cancelling the development. But if, indeed, they come in with findings that suggest there is a major field, does anyone seriously believe that at that point the Interior Department, under any Administration, with its oil-studded background, would ever cancel such a lease?

And we are sure to see nothing but the most pallid kinds of alterations and onshore modifications. Indeed, even at the present time, we are still waiting for some information about whether there have been any cancellations or modifications in the tracts that might be offered because of biological reasons.

I think we can always remain hopeful, but the better answer may be to get a new law from Congress.

In concluding my comments about the foregoing presentations, I think it's ironic that the Interior Department suggests that the problem is with the states, that they have not gotten their houses in order in their planning. Well, of course, it's easy to say that, when the Federal government does no real planning offshore on the sea bed. It totally neglects its authority for marine sanctuaries and when the states are trying to do better on the onshore areas, the finger has pointed at them.

I think really the finger should be pointed the other way at the Interior Department that seems to have no concept of what a logical framework is for planning to integrate the various national, state and local interests which we have.

I was given the title of "Energy Facilities, an Environmental Enigma," and I have been trying to ponder just what this enigma might be. Perhaps it's the enigma of how policies are framed in the Federal government, but --

It also might be found in the fact that I think many of the planning suppositions are rooted in the perspective which is familiar to energy planning based on the high rates of growth that we had between 1965 and 1973. These were the familiar suppositions that we were going to have a short leveling time of every 15 years on our energy consumption; that our annual rate of growth would be four-and-a-half percent, perhaps; and that our resources were limitless and there was a positive obligations to get out there and plan to double the number of those facilities and that was the essence of sound initial policy.

Well, of course, since 1973 things have begun to change radically. Our growth rate, our compounding growth rate, has dropped from four-and-a-half percent to less than three percent and is heading down. There is reason to believe that if President Ford adds another dollar to the price of a barrel of oil that we use, that if OPEC in the fall adds another dollar or two to the price of oil, that if some reasonable measures are still taken by this Congress for energy conservation that are not involved particularly in the Ullman Bill, but may stem from other committees of Congress, that the growth rate could get down to less than two percent.

And if the growth rate gets down to that level, our Waterloo projections that have been the standard repertoire of the energy planners suddenly fall apart. It may well be that this period of high expeditious energy growth between 1965 and 1973 is one little short lip on the spectrum of the time span of history.

It may be that brief period when energy prices were kept down, when supplies were still available and a growth took place while it could, but it may never occur again because we are on a downhill slide and exhausting our domestic oil resources; our prices are probably up permanently, even through the Administration has some lingering hopes that somehow OPEC will change its mind.

And we may never face the kind of strain of trying to find places for so many facilities in such a short period of time again as characterized in this short seven to eight year period which probably is behind us forever now.

We may grow more slowly and, indeed, I think if we get that down to two percent or less, there is even room or reason to hope that by the year 2000, we could level off entirely and not grow in our energy consumption at all.

It is interesting to notice that the Ford Foundation's Energy Policy Project had a zero energy growth area by the year 2000. That assumed a growth rate of a little less than two percent in the next decade, and gradually leveling off thereafter. We may not be too far from what one time seemed like some sort of visionary scheme.

So, I think there is reason now to see that the pressure is indeed off on a lot of the facilities that have been projected. We are seeing that the number of nuclear plants that had been projected has been cut in half; utilities are cancelling a lot of their expansion plans. We are seeing in nuclear power particularly, a rising set of problems that are developing in the industry on every side.

As soon as it solves one problem, another problem emerges that it really hasn't thought through yet. Now the problem of plutonium fuel cycle is the latest problem to emerge. The new Nuclear Regulatory Commission is reluctant to allow that process to go forward as the industry wants.

The political climate is changing. Even the Atomic Industrial Forum says this is the year of decision about whether nuclear power has a future. We see their political base in Congress as having crumbled with the retirement of their best friends.

And the whole impetus to developing nuclear power at a fast pace and to move toward the coastlines and sources of easily available cooling water, seems to be coming apart at the seams.

Here in California the utilities are moving away from the coast because of the growing troubles for their industry.

We also see the whole OCS leasing program beginning to be scaled down in its pretensions. At one point the officials were talking about trying to lease as many as 20 million acres or 19 million acres or 14 million acres or 10 million acres, or maybe they are going to try to get four or five million acres leased this year or actually they leased 1.7 million acres last year.

Growing opposition from the states, particularly in the frontier areas of the Atlantic and Pacific Oceans and perhaps Alaska, took, all indicate that it is not going to be an easy process that is related to the edicts of the recent Presidents.

Also we see a softening of the bonus bids that the oil companies are willing to offer for these new leases, indicating that perhaps they aren't ready to go as fast as the Interior Department would have them either.

So, I think the pretensions of the Interior Department really can't be taken at face value at all. Indeed, after a couple of lawsuits they soon made their leasing objectives more of a speculation.

And we see that as nuclear power encounters increasing troubles, that the focus is shifted back to coal and with the focus shifting back to coal, some of the pressure seems to be off the coastal states as it shifts, unfortunately, to the Rocky Mountain states and the Great Plains states, with perhaps more of the power production shifting to that area.

There has been quite a change, too, in the plans for discussion of the pressure for new refineries. Two years ago, a little more than two years ago, the oil companies of course were complaining that there was no place they could find new refineries; there was this great demand for refinery siting.

Now, there is suddenly surplus refining capacity. They don't need any more refineries right now; they have canceled their plans because of the uncertainty in the national policy on how much imported oil will be involved. Also, it is beginning to be quite clear that the refineries do not need to be located in the coastal zone; they can be moved inland and, indeed, they want to be closer to their markets; it's better for them.

So the pressure there would seem to be declining also for the coastal zone. And the climate is also changing with respect to supertankers. Suddenly there is a glut of supertankers in the international market. They have overbuilt them and there seems to be doubt that they are any longer the way of the future; that the country, the coastal states, are no longer under great pressure to suddenly come up with one super port after another, as we were hearing a few years ago.

And indeed, the indication that simple facilities will suffice, seems to have reduced some of the eagerness of local Chamber of Commerce types to think that that would be beneficial to their economy.

Well, with the changing picture here, I think we have reason to hope that the climate has improved for a more rational and deliberate process of planning energy facilities along the coastal zone. A good many of them are not going to be needed in the immediate future that were projected; others can be located inland and we have probably gained some time in the process.

Also, I think it is particularly heartening for environmentalists to see, in a state such as California, we are also beginning to see a concrete blueprint, just how policies of this sort might be applied. The coastal commission here has now developed its draft plans and these plans do not provide for more refineries along the coastline. They do not, in the future, provide for any new superports. Power plants will have to be out of the coastal zone unless they can show that those sites are less environmentally damaging. The State of California now wants to know what the Federal government's plan in the OCS area is, what its comprehensive policy is to conserve energy, to reduce demand. It wants to see the whole picture spelled out before it is ready to accept more facilities for offshore development along our coast here.

One thing, however, I think this plan does suggest is that you cannot plan energy and land use for coastal zones alone when some of the power plants will be moved inland; it becomes abundantly clear that you need comprehensive statewide planning to pull these factors together. So, I think that this exercise certainly underlines the need here for the kind of legislation that we are hoping will be enacted by Congress this time, to provide a large incentive to the states to do state land use planning, but land use planning in which the states would basically make the determination rather than as in the Administration's bill on energy facility siting that would allow the FEA administrator to step in and cancel the state plan and to impose a Federal plan instead -- not a plan for comprehensive land use planning, but just a plan for energy siting, according to some demand projection which may be very questionable.

I will just conclude by saying that I think we are in a period of transition in looking at the whole question of energy facility siting along the coastlines, where it is important to bide some time to get some new perspective on what is ahead.

Much of the standard wisdom on this question, I think, is suspect to say the least.

MR. CONNOLLY: Thank you very much, Michael.

I would now like to introduce Ms. Barbara Heller, who is with the Environmental Policy Center and serves on the energy policy staff. She has been a seminar leader at the Kennedy Institute of Politics at Harvard University, responsible for seminars on energy and environmental politics. She has served as a consultant to the Ford Foundation's Energy Policy Project on Resource Management Decisions and she has also been a consultant to the Public Interest Economic Center on several environmental issues. She currently serves as a member of the Federal Energy Administration Environmental Advisory Committee.

I would now like to introduce Barbara Heller.

PRESENTATION OF MS. BARBARA HELLER

ENVIRONMENTAL POLICY CENTER

MS. HELLER: This feels like old home week, just like Charleston last year. The comment I have heard most often since I have been here is, as people come up to me and say, "I remember you." They don't remember what I have said, but they remember that my travel agent sent me to Charleston, West Virginia, instead of Charleston, South Carolina last year. And the universal comment has been, "We expected you to call from Monterey, Mexico."

I think we are at a real turning point for coastal zone management within the next year or two. This is the time when we will see whether the states are willing and able to assume their responsibilities and whether the Federal government is willing to permit them to do so.

This is going to be "shades again of last year," with all of the questions of the national interest in coastal zone management. I think the direction that we will take over the next year in coastal zone management will depend in large part on how the energy aspects, particularly of OCS development and facility siting, are resolved.

I would like to focus on three chief areas of concern which I think might influence the future of coastal zone management.

The first is: decision-making tools which are now lacking in the Federal OCS Program, particularly informational tools like baseline studies.

Secondly, I would like to talk about the Federal-state relationship in OCS development and facility siting.

And thirdly, on the role of the public, which gets back to that title which I am glad you claimed ownership of Bob, but it really is an appropriate title.

On the legislative aspects, I don't want to intrude on the legislative panel's domain by discussing specific new legislative proposals; one of the things I was going to focus on was the issue of separating exploration from the development position and I think that was covered sufficiently this morning.

I would only say that I think it is extremely important. It's absurd to ask the states to plan for OCS development when they have no idea of the amount of oil which will be developed off their coast and when they have no idea of the impact of the development on the existing resources.

I think people, including Congress (and I think they can be classified as people most of the time), have come to realize the necessity for separating exploration from development decisions. It seems likely that if we do get OCS amendments this change will be in the legislation.

Baseline studies, of course, are extremely important. There is an old saying that it's easier to answer the wrong question than to ask the right ones, and I think that describes much of what's wrong with the current baseline study program.

A lot of money is being spent; a lot of money is being requested to do baseline studies over the next fiscal year. I think it is probably enough money, but it's being spent to answer the wrong questions. The existing baseline study and monitoring program is geared toward the assessment of damages which occur after production begins.

A baseline of information should be developed to assist in decision-making; to determine whether, in some areas, the value of other resources is so great that perhaps development should not occur at the present time. At the very least, baseline studies should serve as a means of establishing a priority system for leasing so that leasing can go forward based on the resource potential as well as on the environmental risk.

Under existing procedures, most of the studies won't be completed in time to affect decisions on whether or where to lease or what operational restrictions should be placed on leases.

The states, which have far more knowledge about specific areas under study, have not been adequately involved. Furthermore, although virtually all of the major impacts, as has been said many times today, of OCS development occur at the coastline, whether they are a result of construction, or spills, or onshore facilities, coastal impacts are totally ignored in the current BLM sites.

I am going to give you an example of what we are up against in the realm of studies prepared by the Interior Department. My favorite comes from the draft impact statement on the 10 million acre-a-year leasing program. This is a good example of the scientific rigor of BLM in its studies. Their detailed analysis of the impact of oil on marine mammals consists of the following sentence: "We presume it will be negligible as long as the mammals are able to escape the area of the spill."

(LAUGHTER)

MS. HELLER: We ought to be able to analyze the impact of OCS development on our oceans and our coastal resources. We must insist upon far better information, both about the effect on mineral resources and about the other valuable resources in the region.

Now, let me move onto the Federal-state relationships in OCS development. I think the year since the last coastal zone management conference can fairly be called: "the year of the states." And it's not just the coastal states; the western states are having substantially the same problems with regard to potential oil shale developments and with regard to strip mining and other kinds of mineral development.

The Rocky Mountains and Northern Great Plains Governors have organized and hired somebody to work on energy problems. But I think we are facing our most important questions over the next year. We have been extremely vocal in our calls for state involvement in resource management decisions, but now we have come to the point where we decide how much responsibility the states are really willing to assume.

We must ask: involvement - how and where and to what extent? It is easy to take part in studies; it's easier still to call for revenue-sharing and to be advisors, but it is not easy to make substantive decisions about whether or how to develop resources.

The states have had to call for more participation because for the last three decades they have forfeited virtually all of their power over their resources to the Federal government.

The OCS law and the Coastal Zone Management Act with amendments now pending talk a lot about state involvement, but they do very little. While separating exploration from development decisions, there is no provision for a state to object to all or part of a leasing proposal or a development plan with results.

There is no assurance that if a state does object to any or part of a plan, that its suggestions or objections will be heeded. Any arbitrary Secretary of the Interior, which isn't exactly unprecedented (and not unlikely, given the new nominee), can easily ignore the state's objections or responsible suggestions.

If the states are unwilling to take part in the decision in a responsible manner, then I wonder what we have been yelling about for the last year. I am not suggesting a state veto, which is both unrealistic and impractical. I am suggesting that, if a state has a substantive objection to specific parts of a leasing proposal or development plan, it be granted an objective third-party process for resolution of the problem in cases where the Secretary and the state cannot resolve their differences.

This could be either a court proceeding established in the legislation or through an appeals board. Currently, the state does not even have recourse through judicial review on substantive questions, only on procedural grounds.

Let me say that I think this kind of procedure could prevent rather than cause delays in production. If the substantive problem can be resolved to the satisfaction of states and the Federal government in a relatively timely manner, production would occur more quickly than if they went through all the levels of judicial review which are now inevitable in the current procedures.

This an alternative to, not a replacement for, judicial review. It would assure the states of some substantive input and an objective evaluation of their concerns. It might prevent the procedural delays which are inevitable because the states have no substantive involvement now.

I frankly doubt that it would be used very much, because I think most of the differences and objections can be resolved if the Interior Department and states will simply talk to each other and I think that's an area where some progress has really been made over the last year.

Yet, if the states do not insist on the possibility of raising substantive objections with results, we will be doing just what we have done for the last 30 years: by abdicating responsibility, giving it up to the Federal government, we will be forfeiting any measure of control over resources within state borders.

What is the point of participating in studies if the results aren't used in the decision-making? What is the point of coastal zone management if it is ignored by the Interior Department on its decisions and if you have no opportunity to argue in favor of your carefully planned programs?

I can only suggest and urge that you seek the responsibility and some substantive voice -- mandated in legislation -- in addition to your advisory roles. We all hope that the Interior Department will become more flexible and more concerned and that communications between the states and the Federal government will continue to improve. That substantive role may be unnecessary; it may never be used, because of these improvements, but to sacrifice the opportunity to use it if necessary, I think is folly.

Now, let's talk for a second about facility siting, which remains one of our most controversial problems. We have been deluged with a lot of contradictory propaganda from industry and from some Federal agencies regarding the need, regarding sites, regarding employment potential and economics.

Last year we were told we needed, on the East Coast, dozens of new refineries to keep pace with existing demand. Now we are told we need no new refineries to handle Baltimore Canyon and Georges Bank oil. They tell us it will replace crude imports barrel for barrel; yet plans for deepwater ports on the East Coast and in the Gulf, progress apace; and they are, of course, designed exclusively to handle imported crude oil.

So, where is the truth? We really don't know.

I was also going to talk about FEA's figures on facility siting which Mike McCloskey mentioned earlier. Despite the implication earlier, the Administrations' Facility Siting Bill does contain a very strong Federal override. It is not put in terms of an override, but the effect of the bill is that - if the administrator doesn't like the state's facility siting plan, he writes another facility siting plan for the state and even if he does like it when it first comes in, he can still review it and change it any time he wants to.

If that's not a Federal override, then I don't know what it is. In FEA's justification of the bill, in terms of just electric generating stations, for energy facility siting and the need for legislation, FEA estimated that we will need 640 new plants (plants and thus sites) for generating stations by 1985.

But in their demand projections, they leave out currently planned new units under 500 megawatts; they consider only coal and nuclear combustion turbine units, completely leaving out other things. They don't acknowledge utility load adjustments, facility cancellations and rescheduled operation dates for new facilities.

Most importantly, they imply needed sites for all new generating facilities, whereas most of the new generating facilities which must be brought on line by 1985 are already under construction or in the post-site selection, preconstruction stage. That changes the number of plants needed to 160 and I think that the implication that we need Federal legislation to site 160 plants in 50 states by 1985 is a little far-fetched.

So we get back to the question of whether and to what extent the Federal government should be involved in state siting decisions.

I would suggest that any involvement other than planning assistance is an infringement. We have again new amendments pending to the Coastal Zone Management Act, which could have significant implications for the states. Once again, we have to struggle with the national interest provision.

The new legislation contains language which broadens the definition of "national interest" to include energy facility planning in the coastal zone. The new bill would require as a prerequisite to obtaining impact compensation for OCS development that the state be a participant in the coastal zone management program; and therefore that it fulfill the national interest provisions.

By making coastal zone management and the broadened national interest in facility siting in effect mandatory for any state with offshore oil development, it also makes potential Federal override of facility siting a much more serious threat.

I personally think that coastal planning should be mandatory, but not with that potential Federal override on facility siting in the coastal zone. The original intent of the Coastal Zone Management Act was to create an incentive for coastal zone planning. I would hate to see that carrot become a club.

The third of my concerns is: the role of the public in energy development and siting decisions.

Mr. Gaskins made my day earlier when he said that the Interior Department responds to those who yell and scream the loudest. That is something that I'm not sure is true, but it is something for the states to keep in mind when you are dealing with Washington.

(LAUGHTER)

MS. HELLER: It's difficult to talk about public participation without sounding either trite or holy. So, let me sound a little trite for a minute.

I think it is fair to say that public participation is in part an adversary process and in part a cooperative process. We try to work with you as you do your official planning, and we bug you when we don't think you are doing it right and we disagree. But, that's the way it should be.

We need your help to accomplish our aims and I think you need our help in the realm of public support. I was delighted to hear Mr. Biggs acknowledge last night, and I certainly agree, that this process has contributed substantially over the last two years to better and more responsible decisions.

Citizens groups, as you may be aware, have grown more sophisticated. We work together. The Environmental Policy Center, for example, has worked over the last year with fishermen's groups, with miners, with farmers' organizations, consumer groups, as well as with the citizens' groups around the country that we are normally associated with.

That should say something about all of the talk I have been hearing over the last few days about environmental backlash. It's a myth. It comes up every couple of years and seems to be in vogue again.

There is much more general citizen support now -- support for and knowledge about -- environmental goals than there has ever been. So know that when you go out on a limb for coastal protection, we are with you.

In the name of citizen participation, I would like to make a suggestion for future coastal zone management conferences. A coastal zone management conference ought to be a place where all of those working on coastal zone management can come together, and it has been very valuable for that.

You may notice that there are very few representatives, if any of any East Coast citizens' groups in attendance here. That is for one simple reason: they couldn't afford it. I think if the Federal government is serious about involving the public, for things like this which are held only once a year and which are important for the next year of coastal zone management, it should subsidize the representatives of the most active groups to come to these conferences and interact with the state officials, and find out what people in other areas are doing, just like all of the industry and state people here are doing.

Fourth, and in ending, I would like to answer a question that you raised yesterday, Bob, which is: if the Office of Coastal Zone Management closed its doors tomorrow, would anybody care?

I would say, yes, of course, a lot of people would care very much. We may drive you nuts with our telephone calls about your latest definition of the national interest, but that's our function, to let you know that a lot of people are watching who care about what happens on these very important issues of energy and the coastal zone.

Coastal zone management has been a catalyst for positive planning action. Let's keep it that way. Federal intervention or preemption of state planning would force states into a position of negative reaction. I sincerely hope that we can keep the positive momentum of coastal zone management going.

Thank you.

(APPLAUSE)

MR. CONNOLLY: Thank you very, very much.

Let me just try and quickly wrap it up for you. It seems to me that clearly we have covered an awful lot of ground here. There have been various opinions expressed, and if anything, I think that it's pretty evident there are many, many questions being put forth on various sides and there are a goodly number of answers lacking to come up with some ability to put forth a crisp decision on where we should go, and to form our policies.

We have lots of things to distress us. We in Massachusetts, for example, had a small oil spill over six years ago; we still have the presence of hydrocarbons in the waterfowl and in the fish themselves, and the fish have some sort of malfunctions in their body systems. This has been perpetuated and there appears to be no real reduction of the hydrocarbons in these waters.

So, there is a sincere concern and I think it's healthy that we ask the questions that are being asked. There is nothing shameful about asking your questions, nothing shameful at all. There is a paucity of a lot of information in many of the areas that we are seeking answers to.

We in New England, for instance, look at an area like Georges Bank and see that there is an area that can produce and has sustained a fishery that produces one million metric tons of fish a year. This same area is under consideration for oil and gas production. It's a moot question. Do we vote for an emphasis on managing a renewable resource or do we vote an emphasis on something like oil and gas production and consider what sorts of conflicts there might be or how the resources might be decimated by the conflict of another industry's presence there?

This becomes all the more crucial when we see the likelihood of an extended 200-mile resource economic zone. We will then have much better position to successfully manage the fin fisheries in an area like Georges Bank.

Other complexities are introduced into the situation. There was no discussion as far as the international conflicts are concerned. There is a potential conflict

of a jurisdictional nature with Mexico and with the Canadians, both in the 200-mile resource zone, as well as just the leasing of areas for oil and gas exploration and development.

I would also like to urge, although it was not addressed in the discussion, that Gulf states not be ignored out of the concern over new OCS matters, because God knows, they have it right in their backyards at the present time. But, it seems to me, they ought to be looking at OCS development in the future as well as what happens when that last cubic foot and the last barrel of oil has been pumped out of the wells, which I believe will occur in many of our lifetimes.

They ought to be factoring into their coastal zone management plans how do we retrofit our Congress, how do we retrofit our societies which are dominated by an industry and are dominated by one heavy economic input into their society, as well as their political infrastructure?

And this is another concern that was clearly not evidenced, but we should consider what the introduction into various parts of the nation will mean by a heavy capital investment, well organized industry and what this would do to our political structures at the local, regional and state levels.

Similarly, we in the Northeast, it was discussed in analogies to the Gulf and also to the Scottish experience, the differences in the way OCS development has evolved. If anything, I think we all realize that we have a sense of place. Many, many indigenous factors that make us all particularly unique. And God knows this particular conference place is a classic example of that, but we in New England have had 350 years of white man's use of the shoreline. Most of our footage is committed to use and it becomes terribly difficult to consider putting it to new use and to have to resolve what sorts of conflicts and displacements and disruptions this will make for what society has deemed necessary for use of our coastal zone.

Coastal zone management, I hope, does not get totally derailed for those states who are to be impacted by OCS development because a lot of it is speculative. We in the Northeast still have probably a much greater prospect of offshore sand and gravel mining than we do offshore oil and gas development, because that's still speculative. The sand and gravel is there.

So will the harbor management, estuarine management; the whole approach in better managing our ecosystems is with us right now and I hope that we do not knee-jerk and put ourselves on a full emphasis on one subject and forget about the other pressing matters that coastal zone management provides us with, an enormous tool to address and resolve and better manage for future generations.

Lastly, I would just like to state that, as Bob Knecht said in his presentation last night, the people lust for planners not to produce processes, but rather plans. And the closer we can come to approximating that, the more satisfactory our results will be. And I think one area that the OCS states would do well to consider, is perhaps replicate some of the experiences that Pamela Baldwin related to us that transpired in Britain; and rather than being told, begin to do some telling and maybe either consider going into, if your source capability is there and you cannot disrupt society, consider getting into the developmental end of things and going into some sort of quasi-public corporations and guide, regulate and improve the benefits of the developmental activities that are associated with this OCS development and the more states can perhaps consider sites on a regional basis, the more it will benefit them to try and respond to the whole issue of OCS development.

These are very quick and dirty remarks off the top of my head, and I'm sure you are all very hungry.

Bob Knecht has a couple of announcements to make and then we will go to lunch and return in the afternoon.

Thank you.

(APPLAUSE)

MR. KNECHT: Thank you, Matt, for your very timely summary.

I would like first to apologize to the chairman and the speakers for so tightly organizing the morning session. Clearly, we would have been better advised to have fewer talks and more time for discussion. We always seem to make that mistake. I pledge to you that if there is a conference next year, and I hope there will be, that we will do it better in that regard. So, I do apologize to the speakers in that connection.

There is available in the back of the room a blue-covered report which was prepared by our office, describing in a survey sort of way, onshore impacts of offshore oil development, and that is available for you to pick up and have a copy of, if you are interested.

I again remind you that there is no session tomorrow night; that will be free. And tonight Mayor Wilson of San Diego will be our speaker.

The final remark I would like to make; in Friday morning's session, in my remarks that I have prepared, I think it is 11:00 in the morning, to wind up the conference, I intend to speak to some of the issues that were raised this morning and to relate them a little more directly to our view of coastal zone management, at least on the Federal level. So, we will be hearing some more on some of those issues at that time, as we wind up the conference.

Again, thank you for your patience this morning and thank you for chairing the session, Matt.

(APPLAUSE)

(LUNCHEON RECESS)

MR. KNECHT: Welcome to this session, which is the second session of our conference today. We are going to concentrate on technical issues facing coastal zone management and coastal zone managers.

Chairing this session this afternoon will be Jim Ross from the great State of Oregon. Jim has a Bachelor of Science degree from the University of Oregon, majoring in park and recreation administration and sociology. His work experience has been directly on the mark, much of it. Most recently, from July 1972 to April of 1975, a three-year period, he was Executive Director of the Oregon Coastal Conservation Development Commission; and under the leadership of that commission and Jim and his staff, Oregon is developing its coastal management program.

Recently that program was integrated within the work of the Department of Land Conservation and Development, which is LCDC in the parlance used in Oregon, and Jim was appointed Deputy Director of LCDC.

I think one thing to note about LCDC is it's probably the best funded land use and coastal management activity in the country. Their recent appropriation of \$5.9 million has just cleared the state legislature and on a per capita basis, that's something like \$2.35 per person in that state annually given to land use planning and management in coastal activities.

Congratulations, Jim. It's all yours.

MR. ROSS: Thank you, Bob. You know, my job as Deputy Director of the Department of Land Conservation and Development was contingent upon passage of that budget. We didn't know for sure until yesterday morning that it had passed, and I came down here not knowing whether I had a job when I got back or not. So, it has been very good news for us from the State of Oregon.

The weather is giving us some tremendous competition, as we are all aware. I think we need not dwell upon that. We are going to be brief, to the point and I think and I hope that we will be out of here on time.

We are going to follow the same pattern than we did this morning, about 20 minutes per speaker, hoping to get in about ten minutes of questions; two speakers, a break and then follow-up with the other three, prior to the social hour this evening.

During the course of the afternoon, we will discuss some of the critical elements in terms of coastal zone management and coastal zone planning. Specifically we will talk about the good old subject of the maze of Federal programs and relationships among those programs; moving on to the need for technical information in data in coastal zone management and decision-making. We find particularly in the State of Oregon more and more that politicians, on occasion, need to have an information base to deal with us also. And we find that they had better have that available when they ask for it.

We have just gone through a rather extensive program with the Oregon Coastal Conservation and Development Commission, which terminated at the end of March, as Bob indicated. And we did several hundred thousand dollars worth of inventory work, most of it in search of literature. And I think if we had any kind of data storage and retrieval system, we would probably have cut the cost of doing that inventory work at least in half. And I told the Office of Coastal Zone Management that after we had done the work and not before.

Third, we will be taking a look at socio-economic and environmental analyses - at the possible alternatives in making socio-economic and environmental analyses of coastal zone management programs. I think we have a very practical discussion this afternoon, with the use of some visual aids, on a study that has been going on for some time in the State of Texas, although we go into that a little more with the introduction of that speaker.

We are going to talk about recreation resource planning as it relates to the natural resources of the coastal zone and lastly we will talk about reorganization of the coastal zone management programs. This is something that is very near and

dear to us in the State of Oregon, where we have seven counties in the coastal zone. Our northernmost county wanted to secede and join the State of Washington and our southernmost county wanted to secede and create its own state. So we are very concerned about reorganization and we will have some good words on that this afternoon.

Again, my introduction will be brief; we are quite excited about the variety we have and the practical nature of the afternoon program and with that, I want to move ahead with the speakers.

Our first speaker this afternoon will be Bill Matuszeski, and he is going to talk about translating -- at least that was the title that was given in the document -- "Translating the Tangle of Environmental Programs," including translating that title for us, if you want.

Bill has a BA from the University of Wisconsin -- we have several people on the program, incidentally, from Wisconsin, or formerly from Wisconsin -- a law degree from Harvard. He is a Senior Staff Member with the Council on Environmental Quality and his primary responsibilities include ensuring compliance with the National Environmental Policy Act by HUD and the Department of Transportation, EPA, General Services Administration, Congress and particularly in policy development for land use transportation, urban development, Federal construction and coastal zone management.

Bill is going to discuss with us this afternoon the interrelationships of the maze of Federal programs, including air and water pollution control laws, environmental impact statement processes and laws, the flood insurance program, the 701 program and I am sure there are a number of others.

Bill, you have a big task before you. Let's get on with it.

PRESENTATION OF WILLIAM MATUSZESKI,
SENIOR STAFF, COUNCIL ON ENVIRONMENTAL QUALITY

MR. MATUSZESKI: Thank you, Jim.

It's always a pleasure to come to the Coastal Zone Management Conference, if for no other reason than the localities are so carefully chosen. Last year we were in Charleston on March; this year we are in Monterey in May. I would suggest on the basis of this morning's discussion, however, Bob, that maybe next year we ought to think about Bayonne in February.

(LAUGHTER)

MR. MATUSZESKI: Or maybe Exit 13 on the New Jersey turnpike, where there are about six refineries and two gas processing plants.

We are supposed to change gears now and move out of the energy facilities area and into a discussion of how we can make some sense out of all of the other environmental requirements, particularly those of the Federal government, and where the various efforts to comply stand right now.

I would like to focus on seven of these and you can see the progress toward my sitting down by telling what number we are among these. The seven are:

NEPA, the National Environmental Policy Act,

The Clean Air Act,

The Federal Water Pollution Control Act,

The Noise Control Act,

A couple of the new energy bills,

The 701 Planning Program in HUD, and

The Flood Insurance Program.

So, let's get at it right now.

The National Environmental Policy Act is the Federal law that sets up the requirement for an environmental impact statement.

From the point of view of coastal zone management, it seems to me there are four things we should think about. First, how do we get the coastal zone management program itself in line with the requirements of NEPA? We have worked a lot on this and I think we have resolved many problems of implementation to the point now where we can say with pretty good security that we are doing a good job of working the requirements of NEPA into the effort to approve and get under way coastal zone management.

In particular, there is a requirement for an environmental impact statement on the management program approval, as well as on major regulations and under other provisions of such as the marine sanctuaries program.

Second, under NEPA, is the question of how we apply NEPA to OCS development. We had a lot of discussion about this this morning and you can tell that there is a lot that hasn't quite been resolved about whether there should be one level of review or two levels of review or three levels of review and whether or not we have impact statements or assessments or exactly what. That is something that is now being worked out.

The third thing that you should be aware of, with respect to NEPA, is the application of NEPA to new industrial locations, because they require either a new source permit under the Water Act, which would mean EPA would do the impact statement, or because they require a dredge and fill permit from the Corps of Engineers, meaning that the Corps would do the impact statement.

Here also, things are being worked out slowly. EPA decided not to carry over the NEPA preparation activities to state to whom it had delegated the new source permit program responsibilities. Consequently, the Corps of Engineers will be the prime Federal agency involved in those states where the EPA program has been delegated.

With respect to those states, which number approximately 20, where EPA has not delegated or does not anticipate delegating the new source permit program, it still retains responsibility. And we are now working with these two agencies to decide who will be the lead agency preparing the impact statements.

Obviously these impact statements will be important to you, because they will give you an opportunity to review, comment on and inspect the location of new industries in the coastal zone.

Fourth and finally, I think it should be pointed out that there is a growing important role for coastal zone management agencies to take active part in the review of public works programs and impact statements prepared on them. These are things such as highways, sewers and dams. It is very important that the coastal zone management agencies make sure that the programs of the Federal government in public works are in line with the coastal zone management plan.

Now, as you are aware, Section 307 of the act requires that there be certification of compliance with the coastal zone management program with respect to Federal approval of licensing permits. That does not, however, mean Federal grants for Federal public works projects. So that you have to go to Section 307 and if you look at that language, it doesn't say "certification," it says "maximum extent possible." That means basically that the Federal agency decides whether or not its project is, to the maximum extent practicable, consistent as opposed to the license and permit situation where the state agency itself will make the determination through the issuance of a certificate.

So there is an important difference there and it places a heavy emphasis on the need to involve the coastal zone management agencies through NEPA to get at these public works programs and projects in your areas.

Moving on now to the Clean Air Act, Section 307 of the Coastal Zone Management Act indicates that the requirements of the Clean Air Act should be incorporated into the state management program and that the management program should be consistent with the requirements of the Act.

Now, the Clean Air Act is an act that relies upon ambient air quality standards. The basic philosophy behind the act is to provide and improve overall air quality. We do that by eliminating or reducing pollution from existing sources by controlling new sources and by controlling mobile sources, namely the automobile.

With respect to stationary sources, it should be pointed out that the ambient standards would tend, alone, to disperse the location of new stationary sources, such as major industry power plants, because, if you are interested in maintaining ambient air quality you want to spread around the pollution.

However, there are two things that work against that:

(1) the new source performance standards offset that, because they apply across the board to all the new factories and plants, regardless of where they are located, and

(2) there is something called "significant deterioration regulations," which are basically regulations whereby the governor designates areas of the state where he is willing to permit the air to be degraded somewhat, degraded within or degraded not at all. This means, essentially, that there will be a tendency to locate new industries in areas that already have air pollution problems rather than pristine areas. This will depend, however, on how the governor designates these areas, and underlying all of this is that ambient air quality issue, which tends not to concentrate, but to disperse.

So these have very important implications for coastal zone management.

Moving on to the issue of mobile sources, in the automobile, there are of course efforts to improve vehicle emissions in the manufacturing of automobiles. But at the same time, there are two other aspects of controlling mobile sources that have implications for coastal zone management.

The first is the promulgation of transportation control plans in approximately 40 metropolitan areas, some of which are in the coastal zone. This mobile effort is still being worked out and it can't be said that you can rely upon a definite plan in the near future for these areas. It is very much a matter of working out details at this time. However, the general effort through the transportation control plan is to reduce vehicle miles traveled and to reduce congestion.

From the point of view of coastal zone management and planning, what does that mean? Well, reducing vehicle miles traveled means that you encourage mass transit, car pools, parking taxes and a series of efforts that tend to get people to rely upon automobiles less. Consequently, it tends to be a concentration effort, an effort to rely less on the use of automobiles to get from point to point.

However, the other element in the transportation control plan works against that somewhat, because what it does is to reduce congestion. Now, by reducing congestion what you do is try to divert traffic around cities; you try to ban on-street parking and to undertake efforts such as this.

To the extent you reduce congestion you encourage people to use their automobiles to get on the freeways, which are now less congested. So, you have a tendency to spread out from those types of regulations under a transportation control plan.

So you see we have, once again, these same forces at work, some of them bringing together development and some spreading out development. And the control plans are not sufficiently well-established so that you can, with any regularity, project exactly how that balance would work out in any case.

At the same time we have something called "indirect sources control." Once again, this is an attempt to control mobile sources by controlling the location of major parking facilities and major facilities that attract parking lots, stadiums, shopping centers, etc.

The indirect source regulations are currently in limbo; and I won't spend any more time on this, because the Congress is presently examining the whole issue of indirect sources and they may well not survive the year from the point of view of an overall strategy on air pollution control.

At any rate, all of these efforts to control air pollution are supposed to wrap themselves together in something called an air quality maintenance plan. And what the air quality maintenance plan attempts to do is, on a regional basis, provide a ten-year plan to control and maintain ambient air quality once it gets down low enough, by using all of these devices.

From the point of view of today, we can say that not a great deal of progress has been made on air quality maintenance plans. Some areas, some regions are beginning to get them under control; some of them are using transportation control plans little by little, to put together with their industrial siting plans, an air quality maintenance plan. But, I think we have to say in conclusion on the Clean Air Act that, in terms of stationary sources, things seem to be working out all right and they seem to be somewhat flexible from the point of view of planning and locating stationary sources. So, we don't have any really serious problems. From the point of view of mobile sources, the control of the automobile, there is still a lot of work to be done.

Moving along to the Federal Water Pollution Control Act. Once again, Sec. 307 of the Coastal Zone Act comes in and says the water pollution requirements of this act shall be a part of the overall coastal plan.

Now, ordinarily the water pollution act is not an ambient act like the Clean Air Act is. It doesn't deal with the overall pollution levels in streams. It's oriented instead toward sources, things called "point sources," which are individual discharges for plants, and things called "non-point sources," which are such things as runoffs and sedimentation that might occur as a result of lack of controls on general development.

With respect to industrial locations, the water pollution act does not seem to have too much impact on where they locate. The effluent standards to some extent are set according to the type of stream, but basically the law is written in such a way that in order to relocate you have to meet pretty much the same standards.

There is some effort, with respect to industrial location, to encourage a greater participation by industry in the costs of using municipal sewage systems. To the extent that that is new, it may encourage some industries to cut off from municipal systems and to build their new plants out of the way from where there is an existing system because the cost-benefit ratio under the new regulation may shift.

From the perspective of coastal zone management, the water pollution act has the greatest impact with respect to residential locations. And here I am talking about the construction of waste water drinking facilities and, in particular, interceptor sewer lines.

Ninety-five percent of the budget of the Environmental Protection Agency goes to build sewers and treatment plants. In effect, this is a major public works program. These sewers and treatments plants can have a major impact on the location of residential development and on the pace at which that development occurs, according to what the capacity of the treatment system is.

And there are some efforts to overcome some of these planning difficulties through the planning provisions of the water act. There are, in fact, three planning programs in the water act, which is a cause for concern in itself. There is Section 201 planning, which you may have heard about. This is facilities planning. Section 201 planning is, essentially, the requirement to plan the treatment plants and sewers to go with individual facilities. It does not relate to more general issues of where growth is going and how development should occur.

Section 208, however, is a very broad planning program. It is funded at over \$100 million this year, and the governor designates the areas to be served by the plan. A couple of points should be made about Section 208. It is not the great big ugly bear it looks like. Section 208, the way the law is presently written, will not amount to much, probably it will not amount to nearly as much as coastal zone management will amount to with a lot less money. Why? Because of the way the system is set up.

Section 208 plans have to be prepared over an approximately two-year period. The Section 208 agencies are just now being set up. However, they are into the planning period and until the plan is approved, the planning agency has no approval authority over any of the public works, such as waste water treatment facilities.

That means, in effect, that the planning agency has no real control over the facilities being put in until the plan is complete. The plans will generally begin to become complete in late 1977, at which time Congress will probably have passed a new water act, which will probably have new planning provisions in it.

So, when push comes to shove, 208 is not anything to worry about in any great detail. It is something that provides a great deal of money to do the kinds of comprehensive planning that is needed, but you still have to watch to make sure that the actual placement of waste water treatment facilities in your community and in the coastal zone are in line with your plans, because they don't have to be in line with those 208 plans.

Moving along to the Noise Control Act of 1972. There is a little provision in here you ought to be aware of. The Noise Control Act gives authority to control noise around airports, from aircraft for the most part, but when you combine it with the Airport and Airways Safety Act, which is the trust fund for airports, you get a very interesting set of land use powers which might well affect areas of the coastal zone.

In effect, the Airport and Airway Safety Act allows certain monies from the trust fund to be used to purchase land or rights to the land around airports. This will probably be expanded by legislation now before the Congress. The Administration proposes that Congress substantially expand this authority to purchase land and rights to land around airports. And yet I do not know of any degree of coordination of these kinds of purchase plans with coastal zone agencies, but I think it is something that we should be aware of and be thinking about.

Moving on to energy facilities. There are a couple of new energy bills that have passed. There are lot more that haven't, but two in particular I think are mentioned from the point of view of the coastal zone.

The Deepwater Ports Act has been signed into law. As you heard this morning, it gives the Department of Transportation the authority to approve the siting locations of deepwater ports off our coast. Now, there are presently regulations that have been issued by the Coast Guard on this program. Generally speaking, they do not deal in the detail many would have liked with the coastal impact of the deepwater ports. I think that it is important that those of you who are in a position to comment upon these regulations and to help develop better regulations make known through your comments, officially or unofficially, how you would improve the regulations that the Coast Guard has issued.

As yet I do not believe there has been a great deal of coordination, in Washington at least, with the Coastal Zone Program by the Coast Guard regarding the Deepwater Ports Act.

The other end of the act is something called "The Energy Supply and Environmental Coordination Act." This is the one that passed in the middle of the energy crisis. It really has very little to do with any of the problems you are facing, except that it does have provisions in there that will be used to attempt to order some power plants from oil to coal. It looks now as if there are only about 40 power plants that are going to be asked to do this; and it is not clear that any

of those will, in the long run, gradually make the change. There is a lot more to be worked out there and if there are these power plants in your areas, you should be aware that they are being asked by FEA to shift over.

I would like to close by looking at two HUD programs. One is the 701 program of HUD. Now, 701 has been around for a long time and it's been the butt of many jokes. It has been criticized for having all of the weaknesses of any kind of land use planning program. But there is something new in 701 that is a result of the passage last year of the Housing Community Development Act of 1974.

There is a land use element in the 701 program. Furthermore, there are some pretty feisty, competent people at HUD who plan to use it. That the land development element is still being clarified, but it looks something like this: by 1977 -- by August 22, to be precise -- every community including states, areawide agencies and local governments receiving monies under the 701 planning program will have to have in place a land use element. If it doesn't, all it loses is further planning funds, right? There are no sanctions.

But, if it wishes to continue receiving 701 HUD funds, then it does have to face the need to come up with a land use element. The land use element is to provide a unified land use policy, including air and water considerations, transportation, coastal zone housing, environmental conservation and development policies. Pretty broad.

But, it is also supposed to look at existing land use and projections of land use and it is to consider the distribution of growth within the state, within the region, within the community. So there does seem to be an effort here, under this new HUD law, to try to come to grips with where growth is going and to require communities to identify high growth and low growth areas. So, it does have some significance.

In terms of what all this means to coastal zone management, I think that both HUD and the Coastal Zone Office in Washington had the foresight to see that there

was a need to get together and talk; and as a result of this, they came up with an agreement for coordinating 701 and coastal zone planning.

And for those of you who are particularly interested in this, either Bob or Tim Alexander or myself can give you details. At the same time, because of the far-reaching implications of this new land use element requirement from the point of view of other Federal planning programs, we have worked to set up similar meetings with other agencies and we now have an agreement with the Section 208 planning program to do the same, to coordinate with 701 in terms of common requirements, common documents, in an effort to provide some kind of an even base and to remove the conflict among the programs.

Efforts are continuing with other major Federal planning assistance programs to tie them in together so that hopefully we can start making sense of what has been 36 separate Federal planning assistance programs, operating with a total of \$557 million in funds a year, believe it or not. That include things like planning for prisons, planning for schools, planning for hospitals and virtually everything else that you can name.

With the agreement between EPA and the two-way planning program with HUD, with the 701 program and the Coastal Zone Management Program, \$232 million worth of that \$557 million is now a part of this combined agreement. And that figure will hopefully grow in the coming months.

The final program that bears mention with respect to coastal zone planning is the Flood Insurance Program. This is a program that is administered by the Department of Housing and Urban Development as well. It was established as the National Flood Insurance Act of 1968 and updated and considerably strengthened by the Flood Disaster Protection Act of 1973. What happens under this act is that your communities are advised that they have sections, portions, within the 100 year flood plain and that they should make efforts to keep out new development or to protect new development from flooding.

Existing development would be insured. The flood plains have been identified -- the program has been identified as applying to approximately 15,000 communities in the U.S. About 10 to 11,000 of these communities have had their flood plains identified or will have their flood plains identified by July 1; and about 80 percent of the total affected population has already been identified in terms of flood plains.

What happens on July 1? Well on July 1, for all communities that have received notification of their flood plains, the clock begins to run for one year. It runs from one from point of notification after July 1 for those communities that haven't been brought in yet. What happens during that year is that the community has to put together a flood protection program that involves land use controls and an insurance program, a program of subsidized insurance for existing developments and insurance at actuarial rates for new development in flood plains. The Federal Insurance Administration supplies the rates that will have to be charged at actuarial and subsidized levels for each community.

An additional element is that disaster relief will be provided in these communities only if insurance is purchased. So, in other words, a person is, in effect, given disaster relief once, but from that point on the person is to maintain insurance instead of receiving disaster relief.

Community participation must be established within one year or there will be loss of all Federal assistance in the flood hazard area. Now, the Federal assistance is defined as not only in the normal Federal programs that we talk about, but also any assistance by any bank or savings and loan institution which is a part of the Federal Deposit Insurance Corporation.

So, in effect, any community that is not participating when the deadline comes is not going to receive any normal mortgage or other insurance for any activity that is in flood-prone areas.

Efforts have been made to coordinate at the Washington level what is going on in this program, which affects 15,000 communities, many of which are in the coastal zone, with the coastal zone management program. A draft agreement is being circulated now and hopefully some progress will be made. Meanwhile, you should be aware that this program will be much in the eye of many communities you are working with, particularly as this July 1 deadline approaches.

In conclusion, we can say that there are some opportunities here, some opportunities to work with many of the different agencies that have programs that affect the coastal zone and also opportunities to use acts such as the National Environmental Policy Act to get better projects and to get better response from the Federal government. There are opportunities for better coordination, as the air and water programs begin to shake down, and as the HUD 701 program begins to impact on other planning programs in the government.

Basically, however, it is the states' job to identify the major decisions they are going to have to make in the coastal zone and coordinate the points of decision that have to be made. There is, therefore, not a prospect of hopeless confusion among a lot of different Federal programs, but rather, I think, an opportunity for coastal zone management to pull together the different programs in the way that Congress intended and that citizens of the state have indicated they would like to have it done.

Thank you.

(APPLAUSE)

MR. ROSS: We will have time, perhaps for one question of Bill.

The gentlemen down there (indicating). Please state your name as you give the question, please.

MR. COOPER: Norm Cooper, Office of the Secretary, U.S. Department of Transportation. I have a couple of quick ones for Bill. First, a comment. I wanted to endorse completely the need that he closed with for states to take the initiative in identifying and coordinating with these various Federal programs in the development of their coastal zone plans.

And, with respect to transportation programs in particular, I would like to emphasize that the review at the time of the environmental impact statement, though necessary, is late. If it is possible to establish the coordination with the transportation planning process as funded by the Federal programs, it may precede by sometimes years, the development of an impact statement, that this is very necessary.

And a quick question. Bill, I wonder if you could clarify a little further your statement that other than licensing permits, that the Federal decision would be overriding as to consistency. Maybe I misunderstood you.

MR. ROSS: Bill, you have 30 seconds.

MR. MATUSZESKI: I had so much ground to cover that I am sure I wasn't clear on a lot. I was simply drawing the distinction between those activities requiring Federal licenses and permits which, under Section 307 of the Coastal Zone Management Act, require certification by the state that the proposed act is in compliance with the state coastal zone management plan, as distinguished from the normal run of Federal public works programs, which do not have to be certified for compliance, but rather have to be in compliance only to the maximum extent practical.

And, since it does not call for a specific state decision, the legislation, through a series of interpretations of the standards, leads you to conclude that it is left to the discretion of Federal officials to decide whether or not a particular project is one that is consistent to the maximum extent practical. That is why NEPA is important, because NEPA gives you that extra lever to get in on the project and say, it's not consistent and it is not in compliance.

MR. ROSS: Thank you, Bill.

After the next speaker we will be having a coffee break and at that time any of you who have additional questions of Bill, I am sure he will be happy to respond at that time. Additionally, at the end of our session, if we have saved on timing, which may be very difficult, we would have time for a few additional questions of any speaker.

Our next speaker will be Gilbert White, who is Director of the Institute of Behavioral Science at the University of Colorado. His talk is going to be: "Coastal Hazards: Planning or Panic?" And, Colorado has, I guess the largest coastal zone in the nation, consistent I guess, with about 47 other states.

Gilbert White is a geographer who has worked on problems of water supply, floods, river basin development at local, state and national and even international levels and most recently has directed, under a National Science Foundation grant, an assessment of research on natural hazards in the United States. And this has particular applicability to the coastal zone in spite of its location in Colorado.

We are going to have a little different presentation at this time, using a projector, which I think will be welcome and I am going to have to ask the speakers to move down to the front row, because the screen is going to drop down in front of you. Of course, you may stay behind the screen if you like, but you will miss most of the presentation.

Gil White.

PRESENTATION OF GILBERT F. WHITE, DIRECTOR,

INSTITUTE OF BEHAVIORAL SCIENCE, UNIVERSITY OF COLORADO

MR. WHITE: Each of us who has struggled with land use management in a complex area such as a sector of the coastal zone is aware of the very special role that is played in the pace of development, by the occurrence or threat of occurrence of an extreme and rare event.

By "extreme events," we mean on the social side, the effect of the Middle East oil embargo or, to use a company term, "the malfunction of a nuclear power plant," or an oil spill.

On the natural side, we mean a hurricane-induced storm surge, a flood along a stream, an earthquake, a tsunami wave generated by a distant earthquake, a landslide and, of course, coastal erosion during a severe storm.

These extreme events are perceived in quite different ways by different sectors of the community. The NOAA scientist will attach a different rating on the severity of a given frequency of recurrence of hurricane storm surge than will the owner of a resort hotel located within the 50-year recurrence interval along the coast.

Likewise, the sophisticated biomedical engineer will attach a different risk to the possibility of nuclear plant failure than will a local citizens' group. These differences in the perceived judgment of the severity and recurrence of extreme events are one of the great realities of local judgments and state judgments about what we do in the days ahead.

We know something about the way in which societies do respond to these extreme events and their threat. We know, among other things, that they tend to respond in a hurried, oftentimes panicky manner, that they tend to fasten onto one or two alternatives among a much broader range of alternatives on which they might draw, and that generally in the face of the disaster, they tend to fasten onto a quick technological fix.

This applies not only to the kind of response that a community will make to a flood, but it applies to the kind of response that we were discussing this morning, that a nation will make to an energy crisis, in which there is a tendency to fasten onto the easy technological solution, which oftentimes is counterproductive.

We just completed an investigation of what and where we stand with respect to natural hazards in the United States, and I would like very quickly to go over the

present situation and point out four aspects of what I think has been learned from this effort.

By "natural hazards," we mean in the coastal zone, at least six geophysical hazards which have major occurrence along the coast:

- Landslides along the Pacific coast,
- Seismic earthquake risk along parts of the Pacific coast and major sectors of the northeast and the southeast,
- Great tsunami risks along the coasts of the Pacific in Alaska and Hawaii,
- Hurricane tracks which cut across all of the southeast and Gulf coast,
- Coastal erosion in its more severe parts in the northeast and middle Atlantic, with varying degrees of intensity in other sectors, and
- Wherever a stream cuts into the coast, a flood hazard.

Under Section 305 of the act, these are among areas of particular concern as defined by the guidelines of the Coastal Zone Management Act.

What do we know about what is happening in these areas? First of all, we know that the losses from them are increasing in almost every case. There are a few exceptions. We know that the dollar averages are increasing from coastal erosion, from earthquake, from flood, from hurricane, and from landslide. We are not clear as to whether there is any significant change in tsunamis because we have been blessed with no recent major occurrences of them.

With respect to a number of them in the coastal zone, the death rate is remaining about constant or is going down, but there is a strong suspicion that we are about to turn a corner with respect to death rates and are moving into a situation, for reasons which I will indicate in a few minutes, in which the death toll promises to be larger rather than smaller than has prevailed in the past.

We know also that, as a part of the total costs of these hazards to the nation, the cost of adjustments, namely, the cost of relief, of warning systems, of building protective works and rehabilitation activities, is everywhere increasing along the

coast. This is particularly the case with respect to coastal erosion, flood, hurricane and landslide protection. Thus, the picture for the country as a whole is of increasing vulnerability on an average annual basis to these risks in nature.

But there is something else that must be mentioned: the characteristic impact of the disasters that occur from the extreme event has been changing in the direction of the moderation of the impacts from the more frequent events and the intensification of the effects of the less frequent events.

This is most dramatically revealed by our experience with tropical storm Agnes, which was the largest single natural event during the history of the United States. In June 1972, when the hurricane struck, it caused an amount of damage which was accounted for in more than 40 percent of the areas by the failure of works which had been built to withstand events of lesser magnitude. The works themselves were engineeringly correct and performed adequately from that standpoint, but the safety which was taken into account in terms of the recurrence interval were such that they were exceeded. Thus, levees that were perfectly adequate from an engineering standpoint were overtopped at Wilkes-Barre by floods larger than the designed level.

The tendency is around, the country, for the number of these large catastrophes to increase in severity. The average annual cost to those who were taxed or contribute to aid of sufferers will increase. Catastrophe potential is increasing with respect to each of these. We have yet to see a hurricane along the southeast or Gulf Coast of a magnitude that is practicable and will some day strike Miami or New Orleans or New York harbor, some of the conspicuous sitting ducks for disaster in the United States. These will be of an order of severity beyond anything we have seen before.

One reason that the catastrophe potential is increasing is that the encroachment on the risky areas has increased. If, for example, one tasks the rate of population growth between 1960 and 1970 for the country as a whole, and then compares it with the coastal states, the coastal counties, the coastal county

kind of response to any one of the hazards, namely, the building of control and protection works, whether they are sea walls or a more adventuresome kind of attempt at cloud seeding to divert hurricanes or weaken hurricanes.

This has been the characteristic kind of a measure to which the communities and Federal agencies have turned as being more easily managed, more visible and on the surface more reliable. But the record is, as tropical storm Agnes showed, that reliance on these measures tends to build for the later, more severe catastrophe. And, while they should not be dismissed or ignored and can be used in appropriate situations, it is now clear, as in the Corps of Engineers policy regarding flood plain information and associated studies, that they are only some of the tools and need to be used in conjunction with others.

The other tools that are important to be related to these are a matter of constructing buildings -- and other structures -- so that they are resistant to risk, or so developing land use management so that risky occupancy is diverted and is encouraged instead in other areas which are not subject to the same loss of property and life and high costs of public investment to protect or bail out the occupants.

Insurance is a final measure which has been used to advantage to promote sound land use management policy in flood areas. Insurance on a private basis is obviously a national expense, and on a public subsidy basis is an even greater expense and, unless properly integrated with land use management, can encourage still further encroachment. But if used sensitively with land use management, it can have the opposite effect.

The third point I would like to make is that as we look at the whole range of hazards in the coastal zone, the tendency has been to concentrate unduly on warning, relief, rehabilitation, control and protection, with much less attention to the proofing of structures and particularly sound land use management and insurance as an aid. Only as we get a mix in this kind of adjustment adopted at the local level can we expect to turn the tide of increasing damages and increasing

catastrophe potential.

This is extremely difficult at the local level, as we have seen with the experience with flood insurance and flood plain land use management. Local people need technical assistance in delineation and in advice as to measures that can be applied and as to the experiences of others. They are highly susceptible to pressures of developers unless constructive alternatives can be produced. And it is at this point that the state agency, backed up so far as practicable with Federal technical assistance and scientific work, can play, in our observation, a determining role as to the course that the local community takes in choosing among these measures.

One last point, and that has to do with what happens after a disaster occurs. I want to call your attention to a new piece of legislation which was passed a year ago, which changed one small item that I think would be of concern to any of you who are involved in coastal zone management. And this is an authorization in Section 201 of the Disaster Preparedness Act of 1974 for preparation by each state of a plan for prevention of and preparedness for natural disasters. This program of planning with relatively small operations for each state is now just getting under way, and in each state it tends to be the local emergency services or disaster preparedness groups that are carrying the responsibilities.

The significance of it in the long term is that communities tend to be most likely to make some change in their policies after disaster has occurred. Unless plans have been made to act positively following a disaster, as the clean-up work begins, the tendency is to go back to the old pattern. And the planner who says, well, let's take a year or two years and make some studies as to alternative ways of using this devastated area gets very little attention.

It is only as the land use management groups have anticipated the possibility of the disaster and have alternative plans to put forward, when there suddenly came the psychological shock of the disaster and the opportunity for new relief and rehabilitation funds to stimulate different kinds of work, that there is any

departure from what has been the characteristic pattern of moving closer into the seashore, going farther into the flood plain, or building unsuitable buildings in the seismic zone.

It is in these circumstances that it becomes important to the land management agency to have a hand in the kind of disaster preparedness that now is getting under way, state by state throughout the country, and all of the coastal zone areas.

The observations that I want to emphasize so far as the coastal zone is concerned are:

- (1) that the toll of damage is increasing, right around the country,
- (2) that our capacity for major catastrophe is increasing, it is not decreasing,
- (3) that we are only going to be able to turn this trend if we have some intelligent combination of land use management with the other types of measures, that depend on the technological fix of a good warning system or a good dike or levee, and
- (4) that one way in which to get an immediate, early hold on the tiller so that you help the local community divert its activities from that of making itself increasingly vulnerable to making itself more productive and less vulnerable, is in an immediate disaster preparedness plan.

Thank you.

(APPLAUSE)

MR. ROSS: I think that because of Mr. White's expertise in the field that he spoke to and particularly the field of flood planning management, that there are going to be a number of questions. I would like to ask Mr. White's indulgence if we could follow this plan, I hope you will be available during the coffee break for some questions, perhaps outside or inside.

We would then come back at precisely 3:00 p.m. and, beginning at that time, we would check and see if there are any additional questions that haven't been asked informally during the coffee break.

(COFFEE BREAK)

MR. ROSS: It is 3:00. Do you have any more questions of Mr. White, our last speaker: We had a number of people here during the coffee break quizzing him, so that we would have time while the people are coming in, for one or two additional questions if there are any questions to be directed to Mr. Gilbert White. Are there any?

I think you exhausted or answered all of the questions.

We are going to begin. Our next speaker, Mr. Gus Frush, is a Professor at the University of Texas in the Division of Natural Resources and Environment. Mr. Fruh has been with the faculty of the University of Texas from 1965 to date, and this last semester, has been at Berkeley as a visiting scholar; and the purpose of that visit there relates to the subject he is going to share with us today, and the main purpose there was to gain a broader perspective from some other states regarding coastal zone management.

Mr. Fruh has a Ph.D. in Sanitary Engineering from the University of Wisconsin and I am sure I wouldn't have to look too far to find a series of jokes about sanitary engineers, but we will leave that for another time. Mr. Fruh is the project director of a five-year study that has been funded by the National Science Foundation. This study has attempted to analyze and assess the economic and environmental consequences of coastal zone management programs, as they are being developed in the State of Texas.

Now, this is a topic that I know from experience has given many states a lot of problems, and that is the analysis, process of analysis or lack of analysis of the economic and environmental consequences of coastal zone management programs or any land use programs, for that matter, in terms of identifying the impacts of policies, of regulations and so on, their socio-economic impact and their

environmental impact.

So, from an academician today we have what I believe is going to be a very practical part of this coastal zone management conference, and that is sharing of what Gus Fruh has learned in terms of analytical techniques for policy analysis. He is going to share with us techniques and discuss particularly and perhaps the most important aspect of his talk is to discuss the transferability of what they have learned in this five-year project with a multidisciplinary team, the transferability of what he has learned to other states' coastal zones.

Again, I think it is going to be a very practical session. We are going to have some slides which will help demonstrate some of the things that Gus Fruh has learned dealing with the analysis and assessment of the economic and environmental consequences of coastal zone management programs as they are being developed.

Gus Fruh.

PRESENTATION OF E. GUS FRUH
ASSOCIATE PROFESSOR, ENVIRONMENTAL HEALTH ENGINEERING PROGRAM,
UNIVERSITY OF TEXAS AT AUSTIN, TEXAS

MR. FRUH: The Division of Planning Coordination in the Governor's office initiated in 1971, a multidisciplinary University of Texas-state agency research team. The objectives were two-fold:

- 1) to provide technical information concerning if and why some of the coastal environmental units (with emphasis on the bays and estuaries) are threatened for the purpose of legislation on the Texas coastal public lands, and
- 2) to develop and test (using criteria appropriate to the Texas coastal zone) a methodology to evaluate the economic and environmental impacts of possible coastal zone management policies for non-public lands.

The results should have two principal effects:

- 1) to inform those elected and/or appointed officials who are responsible for establishing public policies of the probable consequences of their actions, and
- 2) to defuse with a strong body of acceptable scientific facts much of the current emotional nature which results in adversary positions between developers and environmentalists.

In June of 1972, the National Science Foundation through its Research Applied to National Needs Program initiated significant funding.

The objectives of this paper are to describe the approach and methodology utilized by this multidisciplinary team. Because of the time limit for this presentation, only one of the analytical techniques is presented in some detail. Finally, consideration is given to the circumstances favorable for the transfer of a successful analytical technique from one state to another.

The first step in the procedure consisted of state agency personnel postulating alternative hypothetical public policies on coastal zone management in as quantitative a manner as possible. Secondly, projections were made for each policy for a specific coastal zone region. Subsequently, various analytical techniques in operation in the state agencies, as well as others which were developed were utilized to determine the economic and environmental impacts of each alternative future. Finally, the impacts were compared and presented in a form (hopefully) suitable for understanding by the politician and the public. Technical reports were submitted to state agencies for review and comment. Continual emphasis is on the methods for the transfer of changes in existing as well as new analytical techniques. The methodology is issue oriented (identify the specific problems requiring resolution) and not plan oriented. The definition of alternatives by state agency personnel clarified and allowed further quantification of initially "general" policies. Projections permitted the research team to assess "cumulative impacts."

From the outset of the project, one of the directives has been that the approach described above be based upon the currently available analytical techniques already in use within state agencies. The requirement has a two-fold benefit -- it shortens the lead time for developing the methodology; and once developed, the approach is easier to transfer to the appropriate state agency. However, the various analytical tools were developed for particular problems of certain state agencies and not for the problems specifically faced in a coastal zone management program. For example, an analytical tool of one state agency may be a mathematical model which is based on a theory to describe complex biological processes. Translation from the theory to mathematical terms in the model may involve assumptions perfectly legitimate for the purposes that the agency originally intended to use the model. However, the model used in the coastal context may be limited because of such assumptions. Secondly, the output from one analytical technique may need to be linked to the input of another analytical technique to provide an assessment of the impacts of a proposed policy. Also, there are a host of other problems of a technical nature (e.g. computer retrieval, reliable data). Hence, research had to be conducted to appraise the analytical tools. In one case another technique had to be used. Also, data had to be gathered and placed in an appropriate state agency information system. In the absence of sufficient data and/or completely reliable analytical techniques, the directive was to present a conclusion or recommendation as a "professional estimate" suitably stating why it was qualitative. If there were no data and/or reliable technique, research programs were to be outlined.

The multi-disciplinary team consists of co-principal investigators from state agencies and from the University of Texas. Each co-principal investigator heads a task force as outlined in Table 1. The task forces assembled the appropriate analytical tools and data from the state for their specific sub-objectives.

Linkages are formulated through the daily working interaction of a full-time research associate from each task force under the supervision of a project coordinator. The state agency liaison people were responsible for postulating policies and the interaction of the multi-disciplinary team with the state agencies, legislators and elected officials.

The first area studied was the region of the Coastal Bend Council of Governments. This 13-county area includes Corpus Christi and the surrounding bays and estuaries. It encompasses urban and rural areas, heavy industry, agriculture, commercial fishing and tourism. There is a problem of adequate future fresh water and hurricanes present a natural hazard. The area is not completely developed and has planning options open to it. Considerable data on the region are available in state agencies. Regional and local government officials, industry, utilities and the public have been quite cooperative. To demonstrate transferability, the methodology will be utilized in later phases of the project in assessing the environmental and economic impacts of policies for a sub-region of this COG and for another region of the Texas Coast.

The basic economic tool is the state "input-output" model localized to the regional area. The data on the amounts of purchases and sales of all the individual economic sectors in the state were collected in 1967, and a smaller survey in 1972 was conducted to update the information. By means of this data management model, interdependencies among various sectors of the economy can be recognized. The most useful capability of the model is showing how an external change in one sector can cause "direct," "indirect" and "induced" impacts to the entire regional economy.

The goal of the next task was to temporarily and spatially allocate industries, homes and retail and commercial activities on a map which delineated the environmental units developed by a third task force. The industrial location methods available in state agencies were found deficient and data on the likely timing and location of future industries were gathered from the port authority, electric and

gas utilities, water district, highway department, and land sales information. Various independent population projects were utilized and checked through employment figures with the input-output model. Based on the population and income data, "gravity" models were developed to locate the retail and commercial activities. Subsequently, the population projects were converted to land consumption (apartments, single family homes). If a particular census tract was "over-populated," the simulation technique would relocate the population based on distance to work and neighborhood character (income, education, age, size of family).

The focus of the next task force was to analyze how the environment limits man's activities (e.g. rate of shoreline erosion and how man degrades the environment). The resource capability units were based on quantitative and qualitative analyses of geological, physical, hydrological, chemical and biological characteristics of the regional environmental units. Using a 110 years span of maps, 50 years span of aerial photographs, extensive engineering tests (e.g. permeability), ground water records and sparse mineral and fossil fuel resource information, this task force determined the natural capacity to withstand similar kinds and types of human and natural impact.

The purpose of the fourth task force was to establish a linkage between the economic and demographic projections previously discussed and waste generation. Work between this task force and the resource capability group was required to analyze the solid waste disposal problem. Air pollution sources were tabulated and their future emission rates were utilized to project ambient quality which was then analyzed. This task force also determined the quantity and pattern of water use. From this and other information the waste return flows from municipalities and industries, as well as the urban and agricultural runoff can be estimated for quantity and quality.

It was the function of the estuarine modeling task force to determine how these water diversions and return flows change the bays and estuaries. Based on a state agency model for the hydrodynamics and salinity of a Texas estuary, the effects of the natural Gulf tides and meteorological phenomena intermixed with decreasing fresh water inflows on the salinity concentrations throughout the body of water could be estimated. Further work had to be accomplished to adapt the model for nonconservative substances such as nutrients and dissolved oxygen. The estuarine water quality concentrations thus have been related to the various regional economic and environmental projections and will be utilized by the biological task force to determine the effects on the organisms.

The function of this last task force was to identify and quantify biological criteria that could be used to establish a baseline for natural changes, as well as man-made changes that occur to the biotic habitats. The data available from the entire Texas coast was assembled in terms of ecological descriptions or biotopes (grassflats, channels, marshes). Computerized data banks indexed by biotope were formed which contain information on the life history of the organisms and their abundance and distribution at various water quality levels. By using the life history data bank and the estuarine modeling, the effects of water discharges and decreasing river flow could be estimated in different parts of the estuary.

Depending on the policy to be evaluated, the sequence of each of the six tasks can be rearranged.

The problem is to assess the conflict between increasing demands for relatively inexpensive energy and the constraints from resource shortages and proposed stringent environmental policies (Moseley, 1974). The first step in the procedure was to formulate concisely in quantitative terms the range and assumptions of the hypothetical public policies. For this study three population projects were made: zero population growth (ZPG), which assumes that the population rate will stabilize; a continuation of past trends (COC); and an intermediate population range between the two. The three cooling policies examined were: a continuation of current practice

using the most economical means of power plant cooling while meeting local discharge standards; zero discharge of all waste heat into adjacent water bodies by the year 1985; and a "freeze" of total heat discharge at current levels.

These population levels and cooling policies were examined simultaneously to produce a range of nine alternative futures. Once the policies were stated, technical schemes necessary to implement them were initiated. This included collection of technical data on heat rejection requirements, combinations of cooling techniques, consideration of fuel needs and resource requirements, and estimates of reliability. The technical requirements were then translated into capital and operating costs amortized over the requisite period.

To meet the conditions of certain policies, there would be a resource cost. For instance, the relative implications of growth and cooling policies on water consumption can be clearly shown. The values range from approximately three to seven billion gallons per year. The second cooling policy relies principally on wet cooling towers and hence, more water is evaporated than in policy three where there are some dry towers. However, the energy requirements to operate the cooling equipment in policy three are greater than that required for policy two.

The costs for the cooling equipment, when fed as a price increase into the regional "input-output" model as changes in the cost of electrical power, were used to assess economic impacts and overall effects on the economy. The initial industrial reaction to increased electrical rates was assumed to be payment of this added cost from residual income (retained earnings, profit, dividends). To obtain a concept of the impact of cooling cost increases on the processing sectors, the most expensive cooling condition, number three, was assumed to occur. A plot of the 71 processing sectors ranked according to the percent decrease in "residual" income was calculated. It is evident that the cooling policy does not have a significant widespread impact on the residual incomes of the regional processing sectors. (For a more detailed analysis, see Moseley, 1974).

The next question is what is the effect of the direct and total costs of the increase to the household. Again it is assumed that in the short-run the households will pay the price increases from "residual" income (e.g. savings). Comparison is made to the costs of maintaining the present environmental policy number one. The effect of number two is a decrease of approximately 1.8 percent in discretionary income, but meeting the direct costs of environmental policy number three requires from six to over nine percent of the household savings. If the cost increases due to the cooling policies is added to the goods and services purchased by the household, an estimate of the effects of total price increase can be undertaken. The data indicate after the year 1990, an average difference of approximately \$40 between the "no discharge" policy and the present cooling policy. The total annual cost to the household for the "no discharge" policy would be approximately \$75 per household. Some perspective may be gained realizing that in 1967 in the Coastal Bend COG, the median rent payment was only \$74 per month and the median family income was less than \$6,000 per year. Certainly in other regions of the Texas coast (e.g. Houston), no effect of the state price increase would not be as significant.

The above discussion presents a perspective of the environmental and economic impacts arising from three postulated growth and environmental cooling policies. The results indicated that coastal zone management policies which focus on environmental protection and economic development may initiate unimagined social equity problems. Discussion in the past has focused on regional environmental policies because of the diversity of a state's coastline. Some implications arise from this study concerning regional economic impact.

During the past years the state agencies of course have been collecting data, improving their existing analytical techniques, and developing new ones. Thus, the main concern for transferability has centered on the two-way flow of information between the multi-disciplinary team and the state agencies. However, with the

limited financial resources available from Federal and state sources, initial exploration of the question of interstate transfer of analytical techniques appears appropriate. There are four general aspects which should be considered before resources are invested. (It is obvious that transfer should not be considered if the problem is minor and there are short-term deadlines.)

There are three participants who should be considered. Two are the "politician" and the analyst. The "politician" in this context is not the legislator or elected official, but a decision-maker in the coastal management agency. For lack of a better term, the third participant shall be called a "policy-maker." The "policy-maker" interacts with the "politician" through a generally concise statement which attempts to convince the "politician" that a certain proposal is meaningful in terms of man's problems in coping with his future, desirable for the public as a whole, and possible. The "policy-maker" must be well aware that even well-defined policies have regularly created unimagined new problems. (In some cases the cause is that the "policy-maker" has started playing the role of the "politician" -- contemplate the world of potentialities, evaluate them according to one's own value system and choose the best.) The "policy-maker" also is defined through his interaction with the analyst, usually through quantitative definition of the policies proposed for evaluation. The "policy-maker" with experience knows that the analyst cannot evaluate all proposals (e.g. lack of data or analytical tools). However, even with no answer, the analyst should at minimum be able to considerably broaden the "policy maker's" perception of the problem. In any case, the "policy-maker" must understand the analytical technique.

The first aspect for consideration is the problem context. Generally, four needs exist in coastal zone management for analytical tools: 1) determination of present and past trends; 2) assessment of the effects of prior actions (e.g. developments, policies); 3) creation and examination of desired "end states;" and 4) prediction of the future. The type of analytical technique selected should fulfill the need. Also, the simplest should be considered first and the mathematical

model and computer simulation last. Undoubtedly, the "policy-maker" should have the final decision on the complexity of the analytical technique because of his role as intermediary between politician and analyst.

Over the years, various state agencies have developed such "policy makers." However, this is not necessarily the situation with the newer coastal zone management agencies. In many states the planning thus far undertaken has been entirely concerned with the development of policies. The appropriate analytical techniques and/or associated expertise for testing the policies often reside in other state agencies and have not been utilized in coastal zone management programs. Thus, the second aspect of transferability depends significantly on the degree of coordination between the coastal zone agency and sister state agencies. Generally speaking, if the selected type of analytical technique resides in a sister state agency no matter how simple or "non elegant," transferability of an analytical technique found successful in another state should not even be considered.

The third aspect is the appraisal of technical adequacy (including the theory used in models) and pragmatic utility of the analytical technique. The more complicated the analytical technique (e.g. mathematical models, computer simulations), the greater the need for good documentation. In evaluating the technical and pragmatic components one should start with the assumptions upon which the analytical technique was based determining whether they are fully explained; highly reflective (did the author select some data and reject others); and manipulative (can another value or statement be substituted without destroying the validity of the analytical technique). With many analytical techniques associated with coastal zone management problems, the complexity of the problem has forced assumptions to be made which are valid for the particular situation or site but destroy the ease or, in some cases, the capability of transfer.

From the description presented of the analytical techniques utilized in Texas, it should be evident that a significant data base almost always is required. In many coastal states such data are lacking and there is a need for implementing an information system if the analytical technique is to be used properly. With any data management system, the needs of the analyst for greater quantities of timely, raw detailed data must be set off against the need of the "politician" (for informed opinions in a format that can be judged as "right" or "reasonable"). "Politicians" traditionally have ignored data information systems to service analysis. Why? Generally because they never utilized the information directly and hence, consider information systems as being a clerical requirement. In many cases where the "politician" is made aware of the data, the uselessness of the finely detailed information output to the "politician" causes rejection. When the data are aggregated for the "politician," often the created variables are not those normally used by the "politician" or the legislator, or the public, and hence his "common sense" dismisses the attempt. More often than not the information presented to the "politician" represents what the analysts think the "politician" ought to look at instead of answering the three basic different questions common to all "politicians:" "what should the goals of the state be? Who and what will be affected? What should I do?" Obviously, there is no "best" solution to the data problem and a compromise must be generated between the different orientations of these two active participants.

A multi-disciplinary team of state agency and university researchers has developed a methodology to inform elected and/or appointed Texas officials who are responsible for establishing public policies of the probable consequences of their actions. The analytical tools available in Texas for assessment of the environmental and economic impacts of coastal zone management policies are briefly described. The methodology utilized is demonstrated. The limitations to the transferability of similar types of analytical techniques from one state to another are discussed.

MR. ROSS: Very quickly, are there any questions of Gus? We can take a couple very quickly.

No questions? Okay. Thank you very much.

I would like to introduce to you Dr. Robert Ditton. Dr. Ditton is with the Texas Agricultural Experiment Station (Recreation and Parks) at Texas A&M University, and his discussion is going to be, "We went to the beach, but it was gone." And that is a rather interesting topic. I don't know how closely that title relates to his discussion.

Dr. Ditton has a Bachelor of Science degree in Recreation from the State University of New York at Corland; he received his Masters and Doctorate in recreation resource planning from the University of Illinois. He was on the faculty of the University of Wisconsin at Green Bay. There he was a very active participant in the Wisconsin Sea Grant Program. In 1974 he joined the Department of Recreation and Parks at Texas A&M and here he has initiated a graduate-level coursework specialty in marine recreation management/development, and is also again an active participant in the Texas A&M Sea Grant Program.

So, we are going to hear: "We went to the beach but it was gone," and I gather we are going to really be dealing with recreation resource planning and the utilization of that resource. Dr. Ditton.

PRESENTATION OF ROBERT B. DITTON, ASSOCIATE PROFESSOR,
TEXAS AGRICULTURAL EXPERIMENT STATION (RECREATION & PARKS)
TEXAS A&M UNIVERSITY SYSTEM COMET STATION, TEXAS

DR. DITTON: I want to emphasize right away that the title was assigned to me and that, considering the previous title that Gus had, I am going to leave it to your imagination as to what happened to the working model.

The title of this paper could have been, "We went to the charter boat pier and found a cargo handling operation there," or, "We went to the bayou and found a power plant cooling lake," or, "We went fishing and found there was less to catch due to reduced habitat."

Such observations reflect some of the crunch today in resource allocations in coastal zone decision-making. With the current focus on offshore ports, power plant siting, oil and gas exploration, law of the sea and fishing jurisdictions, it is easy for the recreational use of the coastal zone to get very lost in the shuffle. Yet, it is an area of high public concern and high public visibility because so many individuals in the United States, residents in the states, as well as transient tourist populations, depend upon the coastal zone for their recreational activities.

Though other coastal uses may be more beneficial to the regional or state economy, citizens have demonstrated with the passage of Proposition 20, a referendum in California, that they are not prepared to sacrifice their access, contact with and recreational uses of their coastal resources.

Also, in the preamble of the Coastal Zone Management Act, as you well know, the Congress found an increasing and competing demand upon land and waters of the coastal zone by a number of uses had resulted in a number of adverse conditions; one of those being, decreasing open space for public use.

With the passage of the CZM Act, Congress established a national policy for the coastal zone, which placed the responsibility for developing management programs with the states.

Section 305(a), as you well know, authorized the Secretary to make annual grants for the purpose of assisting in development of coastal zone programs.

Of the six specific requirements of Section 305(a), I'm going to deal today with three of those, particularly a definition of what shall constitute permissible land and water use, inventory and designation aspects, as well as broad guidelines on priority of uses in particular areas.

The CZM Act provides general language regarding recreation and open space. The rules and regulations for the CZM program administrative grants are very specific in identifying recreation, including beaches, parks, wildlife preserves, sport fishing and pleasure boating, as a basic element in the comprehensive coastal management program.

As the rules and regulations imply, it is best not to think of recreation as some homogeneous activity, but rather as a system of often conflicting activities, conflicting in time, space and type of facilities needed.

While the CZM Act was only passed recently, we have had, nevertheless, nearly ten years of applicable experience in comprehensive recreation resource planning, as required under another public law: the Land and Water Conservation Fund Act, PL-88-578 (LAWCON). LAWCON, with its technical and funding assistance to the states, is generally credited with bringing resource planning into existence, and it is parallel in the pivotal role it places upon state government. The process utilized in developing a state comprehensive outdoor recreation plan, or a SCORP as they are lovingly referred to, is useful for developing a coastal recreational element. Instead of focusing statewide and having to be

supportive of a single-purpose agency doing the planning, and having to trade off inland against coastal interests, the CZM recreation element focuses specifically on a more homogeneous study area, the coastal zone.

Drawing upon the recreation resource planning framework developed by the U. S. Bureau of Outdoor Recreation for SCORPS, it would first be necessary to establish present utilization of the coastal zone for recreation. In other words, consumption in the coastal zone; not consumption necessarily by the coastal zone population, but total consumption in the coastal zone.

Because of the complexity of recreation behavior, it is also necessary to achieve some greater understanding of the demand for coastal recreation to better understand the impact of time and money constraints on participation there.

After an analysis of consumption and demand it is necessary to inventory coastal resources, not in static terms (in terms of miles of shoreline or acres of wetland) but in terms of their recreational potential, meaning number of people that they can effectively support. Implicit here is some knowledge of siting criteria for recreational activities that recognize design capability, as well as environmental impact. Existing design criteria fall considerably short of these comprehensive needs.

The final aspect in the framework I am describing to you is to relate demand and supply, considering the carrying capacity of the resources involved, to prevent abuse. From this part of the analysis comes a determination of resource needs by coastal recreation activity.

In other words, it is done for each activity. This analysis can and should be conducted on a regional basis, not for an entire coastline.

While the recreational resource planning process is similar in both statewide and coastal application, the problems are likewise applicable. I will reflect on some of the sticking points encountered in the process, as well as comment on the ways in which they can be overcome.

Firstly, there is a matter of plan orientation. There are today an array of SCORPS that are available for review that represent the finest to the worst in "number-crunching" and review of relevant policy issues. Upon passage, like the Water Conservation Fund Act, and initial gearing up of planning efforts in the middle 60s, most plans were very much qualitative. They were qualitative discussion documents. Gradually this was superseded by a wave of quantitative efforts. Many of these latter efforts launched immediately into a supply and demand analysis without an adequate discussion and understanding of the critical access, water quality and other aspects involved.

The regional plans recently developed under the California Conservation Commission, in my judgment, are to be lauded for their focus and development in depth of the critical coastal recreation policy issues and research requirements for recreation prior to getting into specific number crunching.

Once the critical issues are outlined and are understood, empirical data systems can be established and analyzed (1), to corroborate some of the initial understandings that we had, and also ultimately, to destroy some myths that crop up about coastal recreation; and also (2), to establish demand and resource needs by activity.

The point I want to emphasize here is that planning which starts in the area of recreation with number-crunching instead of a carefully-defined issues framework, is generally doomed to failure.

There is also a wide diversity of opinion as to which activities are to be considered in plan development. In the past, state recreation plans developed by generally single-purpose agencies, have been by definition, too narrow in scope.

In many states, outdoor recreation planning responsibilities are a reflection of agency direction and self-interest. Many outdoor recreation plans

are little more than fish and wildlife management plans. Many agencies could care less, for example, about SCUBA participation and resources, although there is a sizeable constituency in their state, and despite the obvious implications for conflicts with other recreation user groups.

Some state agencies, for example, have no insight into the extent of coastal marinas, public and/or private, because by authorization they are only interested in launch ramp development. Knowledge of the inter-relatedness of boating and other recreation activity delivery systems is essential for effective coastal planning.

A full range of coastal recreation activities and resources need to be considered in CZM. Each activity and supportive facility needs to be probed in terms of environmental impacts and local and regional economic impacts to identify permissible uses, as well as priorities within and without the recreation element.

To establish which activities are widely engaged in coastal pursuits, and which have less participation, it will be necessary (1), to conduct a statewide survey of outdoor recreation participation taking place in the coastal zone, or (2), restructure existing survey materials so that inland and coastal recreation participation can be separated. Clearly, number two is a lot easier if the state has that ability at this point in time.

In regard to the former example of a new survey effort, a good example would be the coastal focus on the recently undertaken survey of coastal sport fishing in the northeastern portion of the United States by the National Marine Fisheries Service. One is also under way in the southern United States. Though larger than a single state, it is trying, nevertheless, to establish the extent of the coastal fishing activity for a regionwide population.

Many states have the capability to restructure their outdoor recreation

participation surveys so that coastal and inland activity can be separated. In my own State of Texas, for example, we can determine the extent of coastal and inland fishing across the statewide population using data from our 1968 Outdoor Recreation Demand Study. Many of the coastal states are not that fortunate, because they have all fishing activity lumped together.

Transient tourists pose the same problems for a coastal recreation element as for a SCORP. The task is twofold:

- (1) to identify the number of tourists (nonstate residents) using the coastal zone and

- (2) to establish their activity profiles through interview or some other medium.

Tourists are simply difficult to gather data on and represent. Greater emphasis, though, needs to be placed on tourist use of the coastal zone, if for no other reason than the economic impacts involved.

Aside from the major survey efforts which many states are either not equipped to handle, financially able or disposed to carry out, we need to investigate other less painful ways to gather information on coastal recreation consumption by residents and nonresident tourists.

One source of information that is all too often neglected is registration and license data primarily for fishing and boating. While planners rely very heavily on this kind of data already, it is readily apparent that their full potential as an information source is grossly underutilized. As many states move to computerize their data they realize that their data has considerable importance and seek to redesign their registration and license form to yield even more information of direct application in planning and management.

The use of mutually exclusive coastal and inland categories would provide State CZM authorities with the necessary data base they need, but all too often, don't have. While the CZM agency may be a different one from the agency

charged with statewide licensing and registration, they can, nevertheless, consult with other state agencies involved to establish a more useful data gathering format in the forms that are used.

An interesting example I would like to share with you deals with our charter fishing research on Lake Michigan in Wisconsin. In the past, charter fishermen on Lake Michigan were required to purchase a guide license, along with inland hunting and fishing guides and essentially, anybody else who had \$5.00 that wanted to buy the prestige of a guide license. Well, clearly this didn't yield too much data that would be of use to represent this group in any major planning effort.

We were unable to, as a result, start off with any data that told us how many people were involved with this industry, and thus we had to get this information painfully from field work.

Recently the legislature in Wisconsin established a new trolling license category expressly for charter and party boats on the Great Lakes coast. Now the Wisconsin DNR can annually monitor this industry without the kind of research effort that we undertook.

A further change in their administrative code now requires all guides operating in the Great Lakes waters to file a detailed report on their fishing activities, including the number of individuals in each trolling party, their point of residence, the catch by party by species in number only, the total hours fished by each party and the general location of fishing.

This is not new. In the State of California it has been done for many years and many other states have pursued it. But, it is an approach we have that will provide information that will be useful in planning and management.

What I am saying is that we need to get the license and registration information out of the shoe boxes and the warehouses and into the hands of the planners and managers. This also will necessitate a change in our

expectations for these data sources. We must come to expect that they will provide us with information meaningful about people, meaningful about people who use the coastal zone and meaningful for planning and management.

As in the development of state comprehensive outdoor recreation plans, there is a need to represent both the public and the private sector in matters of supply, demand and resource needs. The private sector is often overlooked in recreation resource planning because:

- (1) it is a difficult area to monitor and understand
- (2) the public bias of many public agencies and
- (3) the self-serving nature of only considering what the public sector, particularly the agency involved, should do.

The complex system of coastal recreation resources cannot artificially be separated into public and private concerns. Their interrelationship and diversity prevent this.

Agencies dealing with motor fuel tax monies, for example, cannot focus on boat launching ramps while ignoring completely marina development in their state. Understanding of the public-private interface is critical in these times as many public agencies are having to reduce their activities to meet diminished budgets.

Public planners and managers need to recognize that today in many areas of recreation, private entrepreneurs can provide recreation resources and can make a profit. Unfortunately, it is this profit and its motivation that drives many bureaucrats "up the wall". However, if the goal is to provide recreation resources for the public, who cares who does it? Many who argue for a better working partnership between the public and the private sectors, note that private development, private development with public access, that is, also has the advantage of keeping resources on the tax rolls.

I'm not making an "either-or" argument here, and I want to make that clear; but what I am making is a combined effort argument that involves the best of both worlds. In marina development, for example, the low interest rates available to the public sector for construction can be combined very effectively with the managerial expertise of the private sector to good public advantage.

Also, for the CZM agency to tell the condominium or marina developer, "no," is one thing; to give him a qualified "no," and to suggest alternative dimensions, configurations or locations is another. The basic issue here is whether a state's coastal management program should be only reactive or should designate or cite specific uses or projects.

While both appear to be enabled by the CZM Act, there is little to support the reactive approach other than the short-term economics of the agency involved. Unfortunately, the negative reactive approach appears to be a common one today in environmental decision-making.

One of the beneficiaries of this negativism is that the financial and time costs to small private developers is so prohibitive as to drive many of them out of business. The impact on public agencies is similar except they don't go out of business; they just cut back their activities.

In a study of Texas Gulf coast marinas, John Crompton, one of my research assistants, and I, found no new marinas had been built on the Texas Gulf coast in the last seven-and-one-half years. This constriction of supply we found was largely the result of high interest rates, increased construction and development costs, and costs in time and money involved in complying with the permitting process.

It is easy for agencies to tell the developers "no," on the basis of habitat destruction. It will be considerably more costly and difficult to be positive and at the same time avoid constrictions in supply. Implicit in

being more positive in matching coastal uses to coastal resources is the need to establish permissible land and water uses, priorities of uses, and criteria for their establishment.

Critical areas for protection need to be arbitrarily set aside. Future beach locations need to be identified. For marina development, there are also a finite number of optimum locations, short of a major investment to overcome minimum parameters.

Coastal zone authorities, in concert with industry, and here I am talking about the recreation industry, user groups and public groups, need to establish criteria for the critical parameters involved in area and facility siting and/or development. For example: geographic locations, accessibility, water quality, water depths, location in regard to utilities and support, involved in area and facility siting and development.

These criteria need to be applied in concert with the productivity mapping and other use zoning procedures we already have. Without this kind of comprehensive knowledge and understanding, based on such established criteria, decisions will continue to be intuitive, univariate and short-sighted.

The political position and strength of recreation in coastal zone management decision-making today cannot be underestimated. A recent study by two of my colleagues at Texas A&M University, Drs. Jim Dyer and Gerald Swanson, is particularly useful here in assessing the priorities of the three player groups in coastal zone management, namely, government, business and interest groups.

In response to the categories of objectives taken from the preamble of the Coastal Zone Management Act, namely, to protect aesthetic resources, to conserve natural resources, to insure recreational opportunity, to develop natural resources and to expand commerce and industry, government officials

surveyed in, I believe four states, rated protection, conservation and recreational opportunity over developmental concerns.

In this regard their priorities were very similar to the public interest-environmental group members surveyed. Business leaders, perhaps predictably, ranked recreational opportunity and protection of aesthetic resources lowest in priority. Government's priorities are obviously politically based because of the broad-based constituency involved in the recreational use of the coastal zone.

The number of potential voters involved clearly begin to make this an "apple pie issue." Further, with increased urbanization and residency in the coastal zone, this coastal recreation constituency is increasing. As the constituency increases in size and power, recreation and related resource protection will take on increased importance.

In terms of effectiveness, however, public involvement on behalf of recreation resources and their utilization is generally fragmented and often ineffective. This is probably most likely explained by the heterogeneity within and between recreation activity and participant groups. It is not a unified force moving in any one direction.

Also, this fragmentation can be related to the common property nature of recreation resources, where "what is everybody's business, ends up being nobody's business." Often, though, a forum is established in which the public can speak through the ballot box and the place of recreation and resource protection can be clearly communicated to the politicians and the bureaucrats.

Now, as I noted earlier, the Proposition 20 vote in California and also the Colorado Olympic vote, are good examples of public views toward beach access and resource protection issues, respectively. These issues had considerable political clout when put in referendum form. As such, in my judgment, they are messages to decision-makers elsewhere where referendum is not undertaken.

The number of people involved in recreational pursuits and enjoyment of natural beauty make for a powerful constituency, as I have noted. The fact that swimming is one of the most popular, if not the most popular outdoor recreation activity in the United States provides some understanding why so many California voters voted for Proposition 20. They feared that their activity was going to be further dislocated.

In retrospect, activity popularity and breadth of constituency may be one of the reasons why the Marine Sanctuaries Act remains unfunded by Congress at this time. Though recreational use is authorized, the number of divers with the capability to dive 120 miles offshore and in depths of 110 feet, for example, is somewhat limited.

It seems that if this act, instead, authorized a series of sanctuaries or marine parks near shore, and there are some in the United States already, close to population centers with recreation as a key element, to differentiate it from estuarine sanctuaries, political support would be considerably more effective.

Marine recreation is and is likely to remain, a coastal phenomenon, particularly in the strip of the coastal zone near urban centers. This is where the need exists; this is where the popular support lies, and this is where coastal recreation opportunities need to be created.

Thank you.

(Applause)

MR. ROSS: Thanks, Bob. Are there any questions of Dr. Ditton?

Yes, we have one question over here and I believe you have a microphone there. Please state your name.

MR. BUCHTER: Casey Buchter, Coastal Zone Commission, Regional Commission in Santa Barbara

The question was that the differentiation was made between the planning

reactive way and the planning in wholly perspective way by the group, and you said it was either one thing or the other.

I find it is more continual and the illustration I would use is the marinas on the coastal zone of Texas. I find it rare that it has happened that a marina operator will walk in and say, "I have this marina in my pocket; please tell me where to put it." I find it more likely that he has a variety of sites laid out and more likely than that, he has one site picked out -- "please tell me what color to put it;" and better still that the owner of the land walks in and says, "Please tell me what can be put on this project?"

I find it shaded all the way across, from full reaction, one piece of land with one project already planned for, to one piece of land with no project planned for it and all of the varieties in between.

DR. DITION: Okay, I am overgeneralizing there to indicate what I view as some rather polar positions of certain programs being more reactive and others providing consulting and providing back-up support. I'm responding to the style in which the developer comes in with his plans for location which he picked out; and he is abruptly told "no," and there is no real further discussion of other sites. The onus is on him to find another site, develop the plans for it, run it through the permitting process again and then he can get stopped again.

There is very little discussion back and forth and many times, you know, we don't know very much about the marina business. But we are telling you "no," because we do know about the nature of the habitat that you are impacting on.

Some of the people that we have dealt with over the last couple of years in a couple of states have welcomed the kind of information that we have done on marina operators and marina development problems, because it either supported or rejected previously held notions about marina entrepreneurs and business. Many have felt that entrepreneurs make millions from a marina today.

In 1974, unless you owned the land for a long time and unless you have retired your capital debts, you are not talking about making money for many, many years to come. This kind of information is not generally available. He is not being told, well, yes, these set of bays have the kind of windward protection that you need. These bays you shouldn't consider at all because of the depth involved. These bays are most appropriate for siting locations for marinas.

I think if coastal zone management programs can provide that kind of technical assistance, that's quite different from saying a reactive: "yes, no," or "start over again and then come back and see us."

MR. ROSS: Thank you, Bob.

I am going to have to be very unpopular. I am going to cut off the questions so we can go to the planned speaker.

Dr. Ditton indicates he will be very happy to speak to anyone afterwards, perhaps here or during the social hour.

Since I am here at this microphone again, I will make my introduction from here, if you don't mind, Leonard.

Our last speaker, batting clean-up, is Leonard Crook. He is the Executive Director of the Great Lakes Basin Commission and we have a gentleman batting clean-up who has a tremendous amount of expertise. He is a civil engineer; he has 40 years experience in the area of planning; and additional 11 years experience in construction and maintenance research design and teaching; and he has written a number of publications in the field of engineering and coastal planning.

He has an excellent multidisciplinary background and he is going to share with us something from the experiences gained with the Great Lakes Basin Commission. And the title, as is shown in the program, is: "Togetherness, a regionable approach?" And we are going to try to make it out of here by 4:30.

Thank you, Leonard.

PRESENTATION OF LEONARD CROOK, EXECUTIVE DIRECTOR,
GREAT LAKES BASIN COMMISSION

MR. CROOK: Fine.

I think Bob Knecht ought to have a reward for you people who stuck around this long in this kind of weather.

I like the title to this talk, although I think Michele Tetley is responsible for it. But, whether togetherness is reasonable would depend a lot upon the participants and their motives.

It's kind of like a marriage between a man and a woman or between men and men and women and women, or whatever we are having nowadays. Some are good and some are bad.

In the Great Lakes our togetherness effort has accomplished a number of things. There is the potential for doing a great deal more and we believe that we can be of service to the states in doing things on an interstate basis that they would have problems trying to do individually.

In social discussions with different individuals in the audience before I came up here, I found out that a number of you are wondering what the Great Lakes are doing in the coastal zone operation. If you hadn't heard, the act provides for the Great Lakes to be in the coastal zone program. The fact is, we were in that program a long time before the act.

The Great Lakes Basin Commission was created in 1967; and produced a framework study that involved coastal use. We call it, "shore use," and "erosion," as one of our principal work groups. When the survey of erosion in the coastal areas was made by the Corps of Engineers in 1969 and '70, this group was the group that conducted the study.

In the Great Lakes there are some 4,000 miles of mainland shoreland and it's an area, as is elsewhere, of tremendous potential, a great deal of

development, a number of conflicts, and I'll enumerate a few of those for you.

During the current period of high lake levels, shore erosion has been accelerated and flood damages have been excessive. It happens to coincide with a period when the International Joint Commission, because four of our Great Lakes are international bodies of water, released a report on different plans for lake level regulation.

The Coastal Management Committee created by the Great Lakes Basin Commission about a year and a half ago, combined with the Lake Levels Review Committee to analyze that report. They found out that the constraints imposed upon the level of the board in making the study prejudiced a number of the decisions reached.

Energy facility siting and other resource developments in the Great Lakes are as much an impact on the coastal zone as they are elsewhere. We have an intensive commercial and recreational navigation system in the Great Lakes, which occupies significant sections of the coastal areas.

I'm going to skip over detailed enumeration of these problems and in the interest of time and point out to you some of the activities that the Coastal Zone Management Committee -- and incidentally, members of that committee, almost all of the state members, are here at the present time. This group has been tremendously objective in trying to do something worthwhile under the Coastal Zone Management Act, rather than what so often passes for action in many committee meetings.

This group has looked at specific actions that are going to be meaningful to them in the near future. They have held a number of meetings, already some eight or nine in that year and a half and they are taking up a number of individual problems. They have looked at recession rates and published a document on that that has gained rather wide usage.

They have looked at data that is available and what data ought to be acquired and they have looked at mapping programs, information needs in connection with the activities that they foresee under the coastal zone operation.

They have looked at coordination of research among the Federal, state and university groups and set up very preliminary measures to exchange information on what is going on. We have a lot of organizations in the Great Lakes and many of them doing similar things. I'm being generous here. There are a number of coordinating activities and we are fortunate in the Great Lakes in not setting up another regional group to do what so many others are attempting to do.

Another significant aspect of the operation has been the cooperation we have had from the Washington Office of the Office of Coastal Zone Management. They have participated in a number of our meetings, whenever we had to have assistance or there was something going on that they felt they could observe our operation and make a test case.

The group has looked at power plant siting problems and has prepared a state-of-the-art analysis and published a draft document on this that is currently under review.

The group has held a coastal zone segmentation meeting to analyze the advantages and disadvantages of that activity. In the year coming up, a number of issues will be addressed by the group. They will include:

- ° further research coordination efforts,
- ° a common geographical area of coordination,
- ° determination of compatibility of interstate coastal zone boundaries,
- ° facilities of regional importance such as energy facilities,
- ° navigation and transportation system development impacts and policies

- ° lake level regulation policies and program and
- ° Section 306 management requirements and coordination

The manner in which the states and Great Lakes Basin Commission have conducted this is to provide for partial funding from a contribution from the state -- there are seven states involved in it at the present time -- to the Great Lakes Basin Commission to defray half the cost of a staff member to act as the secretary for the committee. The additional staff support is provided as needed, whenever there is a particular effort involved.

There is another operation in the Great Lakes that is fairly significant and is tied in with this operation, and this is a Joint Task Force on Shoreline Damage Reduction originated by the Federal Regional Council and combined into a similar operation in the Great Lakes Basin Commission and now operating as a joint task force.

This is a rather unique operation and the division of responsibilities have been developed after a number of discussions which relegates to the Federal Regional Council the OMB support for funding of the activities of this group and the coordination of a Federal agency within the Federal Regional Council. The planning role is a natural function of the Great Lakes Basin Commission.

This group developed a strategy for damage reduction which is being tested at the present time in five pilot counties. There are seven aspects to that strategy and the final decision as to the effectiveness of this operation depends upon certain follow-on operations which are not yet fully tested. However, there is good support for the activity and with this final support we are hoping it will be effective.

The coastal zone management group within the basin commission has been particularly effective in spinning off other types of operations. The potential for increased commercial navigation by extension of transportation during the

winter season has been of concern as to its probable long-range impact upon the coastal zone. Consequently, a new committee to study the impact of intermodal transportation activities upon the coastal zone has been created. Also, a fallout of this group activity has been the support for an energy policy study, as a special study of the Water Resources Council. Those of you who are not familiar with river basin commissions might like to hear the four basic functions of the commission are to coordinate all planning and all agencies in the river basin; the development of a comprehensive coordinated joint plan for the basin; the setting of priorities for reflection and analysis of basic data for the research projects, the planning and scheduling of the construction of projects; and to foster and undertake such activities that are necessary to accomplish the comprehensive coordinated joint plan.

I believe that this approach is useable if there are areas where there are a number of states concentrated into a fairly limited area of the coastal zone, where there are interstate problems of considerable impact upon two or more states.

We have that situation in the Great Lakes and I am sure it exists in New England and the mid-Atlantic, and possibly along some sections of the Gulf. In other areas it doesn't appear to be applicable.

(Applause)

MR. ROSS: Thank you, Leonard.

Do you have any questions of Leonard at this point? I think unfortunately, that question and answer sessions are perhaps the most beneficial aspect of any conference and, unfortunately, perhaps in our effort to bring you a real good cross-section of technical aspects of coastal zone management, we tried to cover too many subjects in one given period of time. So, I would apologize

for trying to keep us on schedule as I have, and to have cut some of the questions off.

Are there any additional questions at this time of Mr. Crook or of any of the other speakers?

I believe we have a question over here. I hope the rest of our other speakers are here.

MR. SULLIVAN: My name is Carl Sullivan. I am with the Sport Fishing Institute of Washington.

I am interested in knowing what, if any, coordination is taking place between the National Marine Fisheries Service, which is developing a national fisheries plan, and the coastal zone management agencies in all of the states which obviously should be having some input into that national fisheries plan.

I thought maybe that Dr. Ditton could tell us something about that.

MR. ROSS: Thank you, Mr. Sullivan.

The question is: What type of coordination is occurring between National Marine Fisheries and the other coastal states?

In the State of Oregon, we are receiving excellent cooperation from the National Marine Fisheries Service and I hope vice versa; in fact, most importantly, vice versa, that we are cooperating with them. I think our obligation is to attempt to work with those Federal agencies, particularly as Section 307 dictates.

Bob Knecht may have a comment in response to that.

MR. KNECHT: Yes. Carl, we have recently added a person who will work closely with our staff, who is transferring from the National Marine Fisheries Service, with the main objective to do just this kind of thing, to improve the contact between the fisheries agencies of the state and the state coastal zone management programs, and between the Federal efforts, they should be more closely aligned, as well.

There is a lot of work that needs to be done there. I have put it under the general category of more attention to the water planning and management segment of the coastal zone planning and management. I mentioned that last night.

I think that is related to recreation, but it is also related to the fact that the water dimension has not yet been dealt with very effectively in the efforts of most state programs. So, we are working on that at the national level and we will work more closely with the states in the future on it.

MR. ROSS: How many people do we have here from the National Marine Fisheries Service? There are several people in the audience, I know. Last year in Charleston, that office in Oregon sent their representative back to the national conference.

Are there any additional questions?

Okay; I want to thank the speakers this afternoon. I especially want to thank all of you for your patience with the competition that we have outside.

Thank you very much.

(Applause)

(End of Afternoon Session)

MR. KNECHT: At tonight's session we are going to discuss, in particular, local government and coastal zone management. During the conference so far, I think the importance of local government involvement in coastal management programs, has been made clear; in fact, I think it is not an understatement to say that the general impression has been left that if local governments are not involved, and involved positively, the chances of success of state coastal zone management programs are, indeed, diminished.

We are very fortunate tonight to have a very articulate spokesman on

behalf of local government and local government involvement in coastal zone and land use matters.

Mayor Pete Wilson of San Diego has a very distinguished background. It is distinguished in a number of the elements of this problem. In going back a little bit, he is a graduate of Yale University and the University of California Law School. He introduced the first Coastal Zone Management Bill in the California Legislature in 1970. I understand they were introduced in 1971 and in 1972 and finally it was deemed a fact that the only way to get the program started was to take the initiative route.

In recent years he was a member of the Rockefeller Foundation's Task Force on Land Use that authored the very well renowned report, "Use of the Land," I think a very significant piece on land use planning and land use management in this country. He is also a member of the Coastal Zone Management Advisory Committee which advises the Secretary of Commerce on policy issues connected with the conduct of the National Coastal Zone Management Program.

He, of course, has been the Mayor of San Diego. In recent years San Diego being one of the larger and certainly more rapidly-growing cities in the coastal zone of this country and certainly in many people's minds, the most attractive coastal zone city in this country. And last, but not least, I think it is interesting to note that he is head of the first jurisdiction in this country to officially sanction a nude bathing beach in the coastal zone.

(Applause)

MR. KNECHT: It is a great pleasure, indeed, to present Mayor Wilson of San Diego.

(Applause)

PRESENTATION OF HONORABLE PETE WILSON

MAYOR, SAN DIEGO, CALIFORNIA

MAYOR WILSON: Thank you very much, Bob, for that generous introduction.

I am delighted to be invited to speak to your very knowledgeable audience, although it's an audience sufficiently knowledgeable to give me a little pause. I would like to tell you that in preparation this afternoon, I asked three different people to suggest questions and four of us, at the conclusion of the afternoon, decided that, by God, we knew the questions, but no one really had any of the answers.

I am happy to hear that in what has transpired before, there has been a decision that local government must be actively and positively involved in coastal zone management. I think that this is a subject that relates to so many others that you might forgive me if I begin with a story of a mayor of a coastal city who found himself beset with great problems. One afternoon it finally became more than he could bear and so, in order to clear his mind and to attempt to regain some perspective, he just walked out of his office, kept walking and finally found himself on some bluffs overlooking the sea, and he was so preoccupied that suddenly he tumbled down over the edge of the bluff. He found himself hurtling through space to some jagged rocks below and he reached out and caught the only protruding branch on the face of the cliff; and he found himself hanging there clutching at this branch.

Finally, when he regained his breath, he began to call for help up to the top of the bluff. He said, "Is there anyone up there who can help me get back up on top of the bluff? And he waited and suddenly a great voice seemed to fill the land, and the voice said, "Yes, I am here and I can help you."

And the mayor said, "Well, who are you?" And the voice answered: "I am the Lord." And the mayor said, "Well, for heaven's sakes, Lord, help me get back up on top of the bluff." And the voice responded: "In order to be saved you must have faith." The mayor said, "Oh, I do. I have faith, believe me; I have faith."

The voice then said, "If you have faith, let go of the branch."

(Laughter)

MAYOR WILSON: After a moment the mayor said, "Is there anyone else up there?"

(Laughter)

MAYOR WILSON: That's sort of the way I felt this afternoon after being supplied very kindly with a number of questions. And I think really, that when we speak of coastal zone management, it is no secret to any of you, whether you come from states that have an act such as California's, or whether you are contemplating one or whether you are using some that are different, that the involvement of local government is, in fact, basic.

I think perhaps it would be interesting to dwell for a moment on the history of California's act, and to discuss just exactly what the debate was between those who favored coastal zone management and those who opposed as to what the proper role should be in that activity for local government.

In his introduction, Bob indicated that while in the legislature -- in fact, while chairman of the legislature's first Committee on Urban Affairs and Housing -- I introduced what was to be the first legislation on coastal zone management. In fact, it was not very different from what finally came about as the Initiative Act, but at that time there existed a very healthy difference of opinion between those concerned with coastal zone conservation development as to what the role of cities and counties should be.

And, to speak bluntly and to the point, there were those who were representing environmental interests, whose distrust of both the competence and conviction of local government was so great that really the last thing in the world they wanted was any significant role for local government in coastal zone management.

Interestingly enough, as you might expect, local government was, itself, faced with something that was new to it in terms of coastal zone management, and it was with some trepidation that I sought to involve and win the approval of my legislation by the League of California Cities.

The league at that time and at the present time, I think, enjoys one of the best professional advocacy staffs in Sacramento. They were involved in legislation, both from the standpoint of seeking necessary things for cities and also defensively, as advocates are in every session of every legislature. But, far from being the traditional, somewhat hidebound advocacy staff of a traditional and hidebound organization, I found support from the league staff, but with the clear proviso that the traditional role of local government in land use was a thing that would have to be respected, and that there would have to be a scheme of regulation that preserved the basic responsibility of local governments to apply standards, even if the standards were to be devised by some superior level of government.

That was in 1970, and ultimately the legislation that I introduced did get out of the Assembly; it did reach the State Senate. There it met its demise and, frankly, it was lobbied very skillfully by construction and real estate interests, power companies and those who understandably feared this new legislation, and who saw in it an impediment to their doing business as they traditionally had done.

It did carry the blessing of the League of California Cities, because it did involve them. It stated a role for city government and would have established a state commission for coastal zone conservation and development and it would have given to that agency the responsibility for setting criteria and for ultimately proposing to the legislature a plan, much, as I say, as subsequently came about through the Initiative Act.

Subsequent efforts by Assemblyman Alan Sieroty, who initially was among those who really did not want a strong role for local government, but who came in turn, to see its necessity. His bills, as had mine, met the same fate. In fact, I might say that my legislation was killed by a state senator who then happened to be Pro Tem of the State Senate, and who also happened to be my State Senator. He simply refused to unlock the hearing room door, which placed a definite strain on our relationship at the news conference that I held immediately after discovering the door was locked.

(Laughter)

MAYOR WILSON: To make a long story short, those from California know that there was a failure on the part of the legislature in that year and in three succeeding years ever to adopt that legislation. Finally, those in support of it took the initiative route and won the ballot. When the measure reached the ballot in 1972 it passed by an overwhelming 70 percent of the vote.

Since that time we have had a state commission and six regional commissions in the business of both preparing a plan and in the interval required to grant permits for development so that there would be something left during the planning period.

Now, I think that what we have seen in the interval has been a very healthy process, necessarily an imperfect one, and I think that over a period of time local government has come to have some very strong and very definite feelings about what should be its role in the future with respect to coastal zone management.

I would point out that in 1970 the board of directors of the League of California Cities supported Assembly Bill 2131. When Proposition 20, the initiative measure, came up for support in the fall of 1972, we had rather a different situation by that time. The league's board of directors, although they had proposed and supported it, found themselves with a floor fight on their hands, and in fact, on the floor of the General Assembly, the resolution of support for the measure was rather narrowly defeated.

There was a very definite split. The provisions of the initiative provided that half the members of the regional commissions would be local elected officials. And I think that since that time we have seen an incredible performance by the state commission and the regional commissions generally, but now we are coming up on the time when the state commission will be proposing to the legislature a plan, and a plan that involves not just a statement of priorities, but also a statement and suggestion as to how we go forward with the actual procedures and processes of management.

The members of the League of California Cities who did support this legislation, supported in general the idea of coastal zone management, and did so even though those who opposed very strongly made an argument that it would diminish local authority. And I think perhaps it's difficult to argue

that it did not, at least in terms of providing a new step of the procedure and one which would permit a state creature, a state agency, to second-guess the authority of local decision-makers in their landuse regulations.

That was a very conscious decision by those of us who did support the measure, and it was because we deemed it necessary to take a broader view on a state and on a regional basis, to take into account, not only an inventory of needs statewide for all of the coastal zone -- when we speak of it in California, we are talking of over a thousand miles, some two-thirds of which is in private ownership.

I think what we decided was that, honestly, those of us who thought that we were rather good at land use regulations within our own jurisdictions would have to admit that we did not then possess the knowledge of what might be the statewide inventory of resources. In short, we were not in a position to state priorities on any basis broader than the boundaries of our own jurisdiction.

We could not state that what we were doing was, in fact, in accord with regional priorities or with state priorities, because frankly at that time, if they existed they had not taken shape and were not clearly known. No one, at that point, was in a position to articulate specifically what the priorities were. We believed that there had to be a process of examining and determining what the statewide and regional priorities might be to determine whether, in fact, they were different from those that might be prescribed at the local level.

I am skipping over a number of more stories that gave rise to understandable doubts on the part of those who had early taken up the cry, particularly within environmental groups. The Sierra Club, Friends of the Earth, people who early-on were concerned, understandably, with what they

viewed as either the shortcomings or the abdication of the proper role of land use regulations by local elected officials.

Those of us who were conscientious, those who felt that we were competent, that we had both the competence and the conviction, still felt that there was an argument to be made and a very strong one, in favor of the process required by Proposition 20, simply because we could not say honestly that we held a knowledge of priorities that reached beyond our own jurisdictions.

But many who did support that particular view, Proposition 20 and all of the processes that it involved, felt that what we should be looking to was a time when the plan had been submitted to the legislature, when that plan would provide guidance sufficient for local government so that we could, once again, be those who applied the standards devised at the same level, and properly so, and go forward with wise land use regulation at the local level. There would then arise the question of who then shall have the final word? What should be the local role, the regional role and the state role?

Now, that perhaps seems to you a long prologue to those questions, which are the questions that I was invited here to try to answer.

We now have a preliminary draft of the coastal plan. One of the better planning directors in this state, if I do say so, is our own from San Diego, Jim Goff, who is a very conscientious and competent professional, and a gentleman who I think has earned the respect of those who have monumental concerns. Mr. Goff and his department, having examined the preliminary drafts of the coastal plan, have made a response which states some very genuine concerns. He has been concerned, as is the state commission, with the necessity for finding assured funding in order to go forward with planning and the implementation of the plan. In that, he certainly is no different

than Mel Lane, the Chairman, who makes that quite clear in the final paragraph of his letter of transmittal of the 1974 Annual Report to the Governor and the legislature.

He has made some other statements of concern, and they are properly called that, rather than criticisms, but perhaps the most serious in my view, given the background of support from the local officials for Proposition 20 and toward the legislation that preceded it, is the observation that the plan does not now set priorities as between stated desirable objectives.

Now, I think we might really ask ourselves, if that is true, is it in fact, a fair criticism, which is another way of saying, how far, really, can we expect a state to go in specifying those priorities that we have so hungered for in the way of guidance?

We all know that the basic underlying thesis for coastal zone management and explicitly stated in the purposes clause of the California coastal zone initiative relates to resource management. The fact is that even with a thousand miles of coastline, we have a limited, unique land resource and one, which simply stated, cannot accommodate all of the different competing -- and I underscore the word competing--public and private uses it could be projected for.

But knowing that, how far really can we go, practically speaking, in our expectations that the state will provide specific priorities as opposed to rather generalized statements of necessary and desirable objectives? What we are really looking for, I suppose, is a rating, a placing of one desirable objective ahead of the other. That is really what priorities is all about, to be a bit ungrammatical, but hopefully, to make the point.

Well really, I guess we are wondering can a plan such as that which has been submitted, ever achieve sufficient certainty so that it provides in fact, a blueprint for local government to follow in the same way that cities now are supposed to under state law, and in my experience, do follow, and are very closely guided by their adopted general and community plans?

I think the answer to that question is yes, we can expect that if, in fact, we make use of that planning process which is now required of local governments under state law. But if we are to do that, and if in fact, we are to leave to the locals the application of the standards, then what we are really going to have to ask ourselves is, is that planning process at the local level good, and is it reliable?

Now, what does that really mean? Well, it will mean, first of all, assuming that it is good and that it is reliable, that we are going to have to have it conformed by this effort made by the state committee to assess priorities, to really match up the resources and the inventory we need.

And then, assuming that that can be done, that can modify local planning. But the local planning -- and I would hasten to say what may be unnecessary with this audience -- the planning in California goes far beyond the zoning. The requirements for community plans have become rather sophisticated; where they are done well, where money is spent upon planning, there is, in fact, a reliable guide so that we have some certainty and not an arbitrary, capricious standard for local planning commissioners and city councils to follow.

So, assuming that we can have those priorities, let's come back to that basic question, is, in fact, local planning good enough? Is it reliable?

First, there is a question of technical competence. In most cities of California I think the technical competence exists; the academic training, the actual experience of most who have reached the job of planning director, certainly in the larger cities, I think, is sufficient so that it would be rather difficult to question their professional competence.

The next real question, perhaps is one of commitment, and commitment is perhaps best measured in terms of the willingness of a city or county government to spend from its treasury in order to support good planning. My city, which is the second largest in California, which admittedly is a major metropolitan city, has for many, many years spent far more on planning than the State of California. In proportion, most other cities have, as well.

Most cities in California now have, within their planning departments, an environmental quality division or section which is responsible under state law for administering the State Environmental Quality Act of 1970, which requires that environmental impact reports be made on both public and private development proposals.

There is, in fact, a very high degree of scrutiny on the part of professional planners before planning commissioners pass judgment and city councils can pass judgment upon a particular proposal for development.

I think the technical competence exists.

The next question under the heading is it good and is it reliable, really relates to, I think, perhaps the more basic concern of those who at one time challenged not just the competence, but the conviction of local government to properly regulate the use of its own land. And that really relates to the question of the process. Is the public process of making the decisions sufficiently open? Is it sufficiently public? Are the officials and the facts accessible to the public? Maybe that's the best way to state it.

In California I think that generally speaking that is true; it has not

always been so. It was not always so, even in terms of the openness of the meeting. The Brown Act pretty well took care of that. The Brown Act is, for those from outside California, what some of you might call, a sunshine law. It requires that public bodies do their business in public.

But, really far beyond that, I think, is the question of whether or not we were getting decisions in the public interest. Whether or not those making the decisions as planning commissioners and city councilmen were doing so based upon, not just a proper sensitivity, but really, rather bluntly and basically, in the interest of the general public and the community at large as opposed to the interest of the property owner and he who would develop that property.

Now, I am not taking issue with those who are properly concerned with private property rights, as I would hope that all of us are, but I think that we have reached the time when, at least those who are required to make land use decisions, must recognize, and in this state I think they have in large measure, but that when you speak of land you are talking about a particular kind of commodity that has a duality of character. It is, in fact, property in which property rights, either public or private, exist, but even in the case of private property, we're talking about a natural resource. And the State Initiative Act describes it, "A natural resource which really has an implication for the entire community in terms of its use."

This really is an extension of the doctrine of nuisance and then of zoning and then finally of modern-day planning and then we are going a further step beyond.

Well, I think another proposition deserves some attention, and if you will forgive an historical perspective, I think it is important. Perhaps the thing that fulfills the requirements of Proposition 20, that there be good planning at all levels, was Proposition 9, and for those from outside California,

Proposition 9 was another people's initiative which required a number of political reforms relating to campaigns, to election campaigns and to lobbying at the state level, in particular.

Many cities, prior to Proposition 9 in some sense, have followed the guidance that it provides, and have local lobby registration laws that regulate the activities of lobbies. It requires disclosure. There was disclosure before but it requires much better disclosure.

In short, without belaboring the point, political reforms contained in Proposition 9 now, I think, give the public if they are in any way interested, the opportunity to know whether or not those who are making land use decisions are, in fact, beholden. It certainly gives about as much information as we could require. There will still be people who, in a particular instance, make a decision with which you and I might disagree, based upon a particular grant in a particular case.

Now, all this is by way of a prelude in saying that if, in fact, local planning is technically competent, if in fact, the process is sufficiently honest and open, the facts and the officials are accessible in a way that they are not in Sacramento or not even at a regional level. Then you have very strong arguments, I think, for saying that we had better place a very heavy responsibility upon local government to do that planning job. One of the questions that was asked this afternoon was whether or not there is an incentive for local government to participate in coastal zone management.

Some would tell you, yes, fear, stark terror; that if they don't participate their prerogatives will be usurped. Well, in fact, it goes far beyond that, really. It's not simply a question of prerogatives, and that is suggested by one questioner as the answer.

What really is required in good planning, and the planners in the audience, I am sure will agree, that there should be planning that is multipurpose. Those in this room who I recognize as having been perhaps most involved in pressing for the enactment of this legislation, including professional planners, who would insist as professionals that all kinds of considerations be involved in planning, and that in fact, we cannot be concerned with purely the aesthetics of the situation, with pure physical environmental effects of a particular decision, but in fact we have to be concerned with the social, the economic, with all aspects of planning.

And frankly, that has been the case, I think, with regional and with the state coastal zone commissions. What we are concerned with now is what should be the role of local government? And the title that was given to my remarks this evening was Working Creatively With Local Governments.

I think that state government should, after there has been a plan adopted, have the overview role, as well as having prescribed the state priorities in terms of standards. I think that in a particular instance, what we are really talking about is the states having, by way of overview, the opportunity to second-guess the local decisions that have been made as to priorities, because really that is what we are talking about.

And in the instance where there is an overriding purpose in the view of the state or the region, as the agent of the state, then it seems to me there must be the opportunity for the state, to in fact second guess. I would urge the greatest caution upon those at the state level exercising this authority where, in fact, they have satisfied themselves that they have technically competent and in fact, sensitive and responsive local planning.

And I must say in this regard that I don't think too much emphasis can be laid on that political process. And I told Burt that I would do this, so I will cite him as an example.

Burt Muhly is a good friend of mine and a very fine planning professional. He happens now to be a mayor of a major city in this state. And I can recall when Burt railed at mayors and local officials and now he is one, and that's a very happy change. That really is a message that I think has reached a good many people.

Obviously, it is one thing to be concerned about the deficiencies of the system, but where, in fact, you are concerned and concerned with the accessibility, you have the opportunity, by finding candidates or becoming one yourself, of changing the system directly. That has happened markedly in California. It has been a rather remarkable change in character of local government in recent years, and I think in the main, it's because of some rather specific instances relating to coastal zone management, as it relates certainly to the changes that have occurred in coastal cities.

One of the most obvious examples of the kind of overriding state and regional concern that the single small city, or perhaps even a large city, cannot adequately make is in terms of energy requirements. There will be, if there has not been already, sufficient said about that. I would urge those of you who have seen the annual report of the State Coastal Zone Commission to read it very carefully. It is all worth reading. Read in particular the section that deals with the decisions made with regard to the Sandstone Creek power plant.

That was a decision in which the initial plan submitted by the power company was rejected; the state commission then second-guessed themselves, because of their concern about the energy requirements for the entire region of Southern California, and granted the proposal, but only after proposing rather significant conditions that sought to minimize the environmental impact in terms of thermal pollution, in terms of damage to Sandstone Bluffs.

And I think that is perhaps as good an example for a case study as you might find. That is the kind of thing that state commissions properly must take as their responsibility.

One of the questions that I was asked this afternoon was really, how can states make use of the considerable expertise in planning and management that presides at the metropolitan and urban area level?

I think the answer to that is, first determine whether or not that expertise does exist, and then if it does, then there is a requirement -- you can put it two ways -- either to trust it or to impose a responsibility upon it. I think it is a heavy responsibility, it is a natural one for local governments; it is a traditional one and it is one that they have no alternative but to accept.

And finally, again I emphasize the necessity for the multipurpose consideration. The League of California Cities is proposing an action plan that has several elements: a social element, one that relates to public employment, one that relates to land use and the environment. And in their plan for land use, they have established a framework rather like that of the coastal commissions, state and regional, for the entire State of California. They would be multipurpose in a way that the State Coastal Commission is not, although I commend the state commission, because I think that considerations, both economic and social, have very much influenced their decisions. I can think of one instance in which I sought personally to intervene in an appeal where a tuna cannery was about to be denied a permit on land where it was situated between another tuna cannery and a shipyard because presumably there were environmental concerns about the use of that land for that purpose. This was an instance in which some 1,400 jobs and no detrimental land use resulted from a correct decision of the state commission. I might say that a little intrigue was involved. The environmental guise was actually perpetrated on behalf of

some cannery workers in another city. They really didn't want their cannery moved, and I don't blame them for that.

But I do think that what we are talking about is the necessity, where that competence exists, to trust it with the understanding that where the need arises for the state to intervene, for them to have the power to do so.

I think the League of California Cities' action plan, which suggests a multipurpose state agency of which the governor would be the chairman, and in which the environmental and the line agencies of state government would be ex officio members of, in fact, a cabinet that would have responsibility for land use decisions. It provides a rather interesting model for those interested in coastal zone management to study to determine whether or not, in fact, the purposes of the Coastal Zone Act might not be adequately embraced in that.

And finally, I was asked the question of whether or not we should consider costs. Council of Governments is, perhaps, the proper level at which that basic standard should be applied. That is a very difficult question to answer, because I think that between small cities and large, you have greater differences in some cases than you do between councils of government and some of the communities that comprise them.

I would only say that I think that we had to be concerned with having large-enough jurisdictions so that in fact, the decisions are not so fragmented that there is a tunnel vision that does not permit those making decisions to be cognizant of at least the competing needs of those citizens immediately adjoining them. In a large enough jurisdiction, I think that breadth of view can exist and does exist, by necessity. In a smaller city it may not.

What I have said this evening is based primarily on the observations of a local official who, long before he ever thought of becoming a local

official, was concerned with time and the coastline running out in California. California has an extended coastline, but it is in fact, a limited and unique resource. What works in California may not work for Rhode Island or Connecticut. The principles may very well be the same, but in terms of the institutional framework, it may be that there is simply no room for a regional mechanism; there is no justification.

It may be that in California there is no need. I think that has yet to be seen, but let me close by urging all of you who are concerned in California and in other states to recognize a problem as stated, that there must be a basic fundamental role, the basic responsibility must be leveled at local government for planning, for application of standards. The overview by state and region should really be an overview and of necessity, to second-guess and change a decision, and should be exercised with the greatest care after determining that, in fact, the technical competence and the responsiveness to public interest does exist. That may require some rather significant political changes in your state, if in fact, they haven't taken place.

One thing is certain, the needs, in terms of devising priorities, will be constantly changing because our society is dynamic and the priorities now may not be the priorities in 1985.

One thing also is true, in order to assure the public process is one that does respond to public interest, it will require what we so often lack, and that is the interested concern of very alert citizens.

If I have not exhausted you, I have exhausted myself. I would be happy to respond to some questions, but with that, I thank you for your courtesy and for your interest and I hope that in sharing these concerns I may have stimulated at least the desire to see to it that local government is given the chance, because I think that is an absolute necessity.

Thank you very much.

(Applause)

MR. KNECHT: Thank you very much. Are there questions of Mayor Wilson?

Yes, Irv.

MR. WAITSMAN: Irv Waitzman, New England River Basin Commission.

Your Honor, I would appreciate very much your commentary with respect to override with respect to state and local decisions. I was wondering if you would be willing to take a few minutes and extrapolate that same kind of principle to --

MAYOR WILSON: A multi-state situation?

MR. WAITSMAN: Well, more importantly, from Federal to state.

MAYOR WILSON: Yes, sir.

I would say that the same kind of restraint, the same kind of care and caution should be exercised in terms of Federal overrides of state, regional and local decisions. In short, I think that the role that exists for the Federal government is to require a plan -- I think the role exists certainly on exactly the same basis to prescribe national priorities, and to impose them. But I do think that in devising the priorities, there should be a very sharp concern exercised by federal officials to see to it that they are in fact, prescribing what are really national priorities, as opposed to simply disagreeing with what has been devised as the state's proper scheme of things.

MR. KNECHT: Are there other questions of Mayor Wilson?

Yes, sir.

MR. CRAMER: I'm Charles Cramer of the Central Coast Regional Commission.

One thing that I have been trying to balance in my mind, and I agree with you a hundred percent, that this should be turned back to the local government. I am past that point. The point that I have been concerned about in my mind

and have been unable to arrive at a decision is whether or not regional commissions are necessary or advisable. I would like to get your remarks on that.

MAYOR WILSON: I will repeat the question for those in the rear. The question really is whether or not regional commissions are necessary or advisable.

I think that if we are ever able to achieve a state plan of sufficient certainty that we might be able to dispense with the regional body. In my view the regional agency exists really as the necessary agent of the state for so long as it is, in fact, necessary.

Now, the question really, I expect, is do you attain sufficient certainty in the planning process, in the local planning process with the state overview so that you even need to continue the regional agency?

I think that there is a necessity for it probably at the outset; whether or not the need continues is, I think, a very legitimate question. In a large state like California, with some thousand miles of coastline, there is arguably a need for at least the period of the plan's adoption. Whether or not there is thereafter a need in terms of this overview, I think is something that would have to be measured just in terms of the volume of the business. Ideally, I would say "no," but whether or not the idea was practical at this point, I don't think we can say.

MR. KNECHT: Yes, ma'am.

MS. SCHWARTZ: Naomi Schwartz. I'm a member of the South Central Regional Commission. I wonder if you can cite for us some examples in San Diego, either city or county, where you feel that a coastal commission decision beyond the local one was significant.

MAYOR WILSON: The question was, can I cite an example in San Diego County, where I think that a state decision or State Coastal Commission decision was significant beyond the decision made by the regional commission.

MS. SCHWARTZ: Yes, besides the Sandstone decision.

MAYOR WILSON: Let's see, they started to do it the other way in terms of the one that I had in mind, and then made the same decision as the regional commission. Actually, where are the professionals? I see Joe Bodovitz, but I ought to call on Tom.

There was one involving a freeway interchange in which the decision had been made at the local level, after genuinely anguished hearings, to permit a state freeway interchange to be constructed so as to actually impact in a lesser fashion the neighborhood than would the traffic that would otherwise have resulted without the interchange construction of this leading area freeway.

That is an example. I think that the regional commission made the right decision. I would say in my own county the regional commission is considerably more conservative than the state commission. I have found, frankly, that that cuts both ways. I have disagreed with the regional commission and agreed with the state, and vice versa.

Now, the question that this gentleman just asked, and your question, I think, point out the fact that regardless of how you attempt to design the mechanism, it is, in fact, the government of men and women, as well as of laws. And the discretion does change and the more levels that are involved, the more chances for that change.

What I think probably is necessary is -- and I think that this has been happening increasingly -- that there would be less in the way of de novo hearings and more effort to make a judgment as an appellate court, based upon the record.

But, as far as the number of decisions, actually I would suspect that Tom Crandall from the Coastal Zone Commission in San Diego County, could

give you the number of times that there has been a difference between the two. I think probably what we would all hope for is that there would be increasingly fewer differences, that they would come to the same conclusions, which hopefully argues for the elimination of one.

MS. SCHWARTZ: Excuse me. I don't want to belabor this, but that was not the intent of my question, so I will state it again, and hopefully more clearly.

MAYOR WILSON: Okay.

MS. SCHWARTZ: My question really was not as to the differences between regional and state commission decisions; rather, in those areas where local decisions were made. That is, San Diego city or county decisions, where those projects were reviewed by the coastal commissions at either level --

MAYOR WILSON: Oh, I see; sure.

MS. SCHWARTZ: -- and would you feel that there was a definite result, as a result of coastal commission action, in your area?

MR. CRANDALL: Pete, do you want some help on that one?

MAYOR WILSON: Yes. Tom, why don't you respond to that.

This is Tom Crandall, who is the Executive Director.

MR. CRANDALL: Well, the easy answer is that in most cases the City of San Diego's positions on projects and our regional commission's have been identical. In other words, they screen out the bad projects before they get to us.

The only exception to that, and I think it is your question, is that in those cases where the existing zoning ordinances allow projects of a density or in a location, and typically these have been on the immediate shoreline, that our commission felt was not in the best interest of the citizens of the entire region. And there have been a number of those projects particularly in the Ocean Beach area, where our commission has overturned the decisions of the local jurisdiction.

However, that is only because their existing zoning ordinances allow that and the city had no discretion as to whether to approve or deny the projects. So, I think that we have really worked in harmony with the city in those cases and helped them out of a situation they couldn't deal with.

MAYOR WILSON: I think that is an accurate statement, and I think probably you have been involved even more than the county.

MR. CRANDALL: Yes; most of our problems have been with the county.

MAYOR WILSON: We had an interesting situation in that the city has had really a different philosophy than the county government. And the City of San Diego has an explicit policy to both revitalize its core, and also to attempt to curb the sprawl. Until recently the county had a somewhat different philosophy. It was more the philosophy that gave rise to the great distrust on the part of the environmentalists early, when we were drafting the legislation.

But I think that Tom has made an accurate statement. We really did not have very much difficulty and I think, really, it is because we expended an extraordinary effort on planning, including, I might add, the involvement of the public. We have some 30 or so community planning groups and they involve people at the formulation of the plan, out in the neighborhoods themselves, at the planning commission level and when appeals are taken to the council.

MR. KNECHT: Thank you. Are there other questions?

Yes, one more.

MR. FAY: Rim Fay, South Coast Regional Commission and delegate from the State Commission.

Two problems. First of all, I hope I will personally never see another permit again as long as I live. I would be more than happy to give all of them back to the local government. But, in any of the joint regional hearings on the preliminary plan in the state, testimony has been received, saying

local government has not done the job. We can't trust them. We hope there will be a successor agency to keep local government on the ball, not abusing the coastline, not abusing the resources.

And, in this life, is there any alternative other than having a successor state commission as an overview agency, to see that whatever plan is, if it is accomplished, is in fact, implemented at the local level? I can't see any other way to go there.

The troublesome thing is that when people come in and say, the local government has let us down. They document their case, you know, one after another; so it is not a matter of emotion. There are hard facts in each case.

MAYOR WILSON: I think that the caveat that I indicated repeatedly applies to your question. I think that you have got to determine that it is not only competent, but also that in fact, it has responded to the public interest, and I might say that in that regard, I think the political process once again comes into play, not just in terms of elected officials, but in terms of the actual planning process.

Now, I don't know how many cities in California go through anything like what we go through, but we do have, as I indicated just a moment ago, community planning groups and a considerable amount of time is taken before they are ever proposed for adoption to the planning commission and then to the council.

Now, that kind of process is very real and very public, in which there is abundant opportunity for argument, for debate, for examination of anybody's particular interest, and just the opportunity for a considerable amount of discussion on the merits. When we finally do adopt the plan, more often than not, that plan has been subjected to sufficient scrutiny so that, apart from the obvious need to make changes as circumstances may legitimately require, we have got something that is a very reliable guide.

Under state legislation, the so-called Assembly Bill 1301 Rezones, that now require and have for some time that city and county conform their zoning to the general plans, means that you cannot at the local level simply ignore your general plan. If someone comes in and makes the argument, this rezoning should not be granted because it will not conform to the general plan, those who might give that chance, who want to permit that rezoning, really have to be prepared to defend the change in the plan itself.

And again, I think that the best safeguard is the public process with a very much involved electorate; and I suspect that that is how some find their way into public life. And with that, I will call on Burt.

MR. MUHLY: I just happened to have my hand up.

I think we would have to go beyond the question of whether or not we are going to turn everything over to local government, we do with local governments today. I am not sure that local planning addresses the question of what other deeper changes that have to be made by the State Legislature in the entire area of political structures of the state, and in what is required for accountability by local government that certainly the state should mandate before they would ever think of giving up the coastal commissions in favor strictly of local control as existed prior to February 3, 1973.

As an example, I would like to point out that there are a number of municipalities within the coastal planning area, and also with property within the permit zone, which is 3,000 feet back from the mean high tide line, who have not improved their capacity to field a large development, to develop a sophisticated set of guidelines or ordinances for development, who are still seeking to expand their spheres of influence under the local agency coordination commission, for future annexation, who are still competing with county government for all of the revenue-producing uses without taking on the problems of residential areas and blighted areas, who are still filling

gulley that feed our beaches with sand and are needed for our regional and statewide public, that are still causing some of the more sophisticated governments along the coast, who in my opinion have changed in posture, as Mayor Wilson has pointed out, to the point that I think they are accountable and would operate within the good framework that would be set by a coastal plan.

Until we see something coming out of the state that not only addresses, rather than continuing with the state commission and/or regional commissions, this little city which refuses, and I am speaking figuratively, to hire a city administrator or to hire a planning director to prevent them from annexing lands, to really require some kind of accountability in this area.

In my opinion we have no choice but to keep the coastal commission around long enough in a shepherding situation, I mean the regional agencies as well, because I do not see the councils of government doing this totally with local representation at the present time. The regional perspective is not there. And it is my view that this will have to be addressed by our state legislature and our Governor, and I certainly hope the Governor will come out and tell us what he thinks things should be in the future.

(Applause)

MAYOR WILSON: I think in fairness, too, that I should indicate that my own experience with a regional commission is probably unique in this regard. San Diego County of which the City of San Diego has 50 percent of the population, is the only single county region -- it's a region unto itself, which admittedly, I think, makes for some different circumstances.

I can't quarrel with your analysis, Burt. By the way, that was Mayor Burt Muhly of Santa Cruz. And I really think that your points are well taken. I would say that the ideal is to require that the cities that are really inefficient in their planning efforts be required to come up to speed.

I suspect that the ultimate, that the ideal would be to have a number of Santa Cruz's and Montereys and I think then you have got a situation where, frankly, you are getting better systems. But, until that is achieved, then we will probably continue with the "shepherding," as you term it. But it might be that they would get there faster if there were a requirement in the state law that they actually undertake the kind of effort that is necessary for good and sophisticated planning. But we have got a number of things on the state books now that place mandates upon local governments. I would suspect that what we really need is enforcement. That does come from the state and it would be interesting to see what the Governor proposes in that regard.

VOICE: Mr. Mayor, I don't want you to close without telling people from some of the other states how one of your other San Diego Senators publicized Prop 20.

MAYOR WILSON: How what?

VOICE: Publicized Prop 20, with the bike ride.

MAYOR WILSON: Oh, okay. I was thinking of another one, the one who locked the door.

(Laughter)

MAYOR WILSON: The other State Senator to whom I refer is Jim Mills, who is the President Pro Tem of the Senate now, and he happens to be both a coastal and bike enthusiast; and in order to publicize Proposition 20, he went on an extended bike ride down the coast of California.

MR. KNECHT: Well, thank you very much.

(Applause)

I would like to thank Mayor Wilson very much for his perceptive and informed remarks to us tonight. They are based on a lot of experience and wisdom in this field. We appreciate your thoughtful talk very much, Pete.

I think the two mayors were telling us that if local government works

the way it ought to, it can become a very senior partner with state government in coastal zone management. And I think you are saying that some consideration ought to be given to strengthening local government in a fashion that would make it work in the way in which it ought to work before we, let's say, give up on it and go to other institutional arrangements.

Again, it's reassuring to know that the southern anchor of California's beautiful coastline is in such good hands. Thank you again, and thank you for your remarks.

(Applause)

(Whereupon, the evening session was concluded)

P R O C E E D I N G S

MR. GARDNER: We are ready to begin our second full day -- third day really, of activities at the Coastal Zone Management Conference here at Asilomar.

My name is Dick Gardner. I am deputy director of the Coastal Zone Management Program in NOAA. Bob Knecht and I will be alternating at the plenary sessions and at some of the concurrent workshops and panels that are going on simultaneously at various points around the grounds here at Asilomar.

Bob will be back for the morning session which begins at 10:30 this morning. Before we begin I would like to make a couple of announcements.

There is a concurrent panel now going on regarding the Sea Grant Marine Advisory Service and its relationship to coastal zone management programs as they are evolving in a number of the states, which is being held elsewhere on the campus here.

Secondly, I would like to reiterate what Bob Knecht indicated last night and yesterday that because so many of you have indicated a desire for some free time to explore the area of Asilomar, we have consciously chosen not to schedule any speaker for this evening. It is a free night to do whatever you choose.

The role of the attorney in the coastal zone management program is necessarily varied. On the one hand he may be an advocate for the viewpoint of the individual or special interest groups, he may be an interpreter for governmental program people, his role might be to describe the parameters within which the administration of a given law may operate, or he may be drafting new legislation to improve the mechanics of government and the rules by which society at large lives.

We have attempted to draw together a number of panelists here today who, at one time or other have assumed various roles and we have asked them

to address a number of very pressing legal issues now facing coastal zone management at the state, local, national and private sector levels.

They include the energy and other large facility siting questions, the relationship of the Coastal Zone Management Act to other pieces of environmental legislation, with particular emphasis on the National Environmental Policy Act. And of growing, frequent importance to the states and NOAA, the evolving concept of no consistency in the coastal zone management programs with nature's dimensions.

Chairing the panel this morning and giving the first presentation will be Scott Whitney. Scott Whitney holds a JD degree from Harvard Law School, is a professor of law at William and Mary, is in private practice in Washington, D. C. with the firm of Bechloefer, Snapp, Sharlitt, Lyman and Whitney; and is also a member of the National Coastal Zone Management Advisory Committee.

Scott Whitney will lead off.

PRESENTATION OF SCOTT WHITNEY, JD
PROFESSOR OF LAW, WILLIAM AND MARY COLLEGE
MEMBER, NATIONAL CZM ADVISORY COMMITTEE

MR. WHITNEY: Thank you, Dick.

The subject that I shall address this morning is the legal problems related to the siting of energy-related facilities in the coastal zone.

Before I come to some of these problems, I would like to submit for your attention certain critical propositions. The first is that an adequate, a reliable and an economically viable energy supply is one of the paramount national objectives, ranking in importance with national security and the economic survival of the nation. It is very much interrelated with those very important national objectives.

The second critical proposition I direct your attention to is that since 1960 the United States has not only not been energy self-sufficient, but the

energy supply ratio has been deteriorating at an alarming rate.

As early as June of 1973 the President of the United States formally recognized this and announced his determination to turn it around. This gave rise at that time to the Ray study, which first, I think, articulated the idea and objectives of Project Independence and whether that is now a national goal or not is much debated.

But, the development of an adequate, a reliable and an economically viable energy supply is, nonetheless, one of the paramount objectives of national policy.

Now, the Arab oil embargo has specifically dramatized what had been perceived rather clearly before, that no major industrial nation, and especially the United States, can afford to rely significantly on foreign energy supplies.

This has been more recently recognized by the Congress and manifested itself, for example, in the 93rd Congress with a spate of legislation, no fewer than 43 energy-related bills. Of course there are pending before the present Congress a significantly larger number of bills, all directed to devising a national energy policy and a national energy program to do something about the situation.

Now, among the various strategies that are being considered, at both the legislative and executive levels, three particularly impact the coastal zone. The first and most obvious, of course, are the Outer Continental Shelf operations. The Department of Interior, primarily charged with bringing this on, has recognized that the Outer Continental Shelf offers the best prospect for substantial increase in domestic oil and gas production.

And this is one of the major strategies by which something approaching adequacy in the energy area will be achieved.

A second strategy that impacts the coastal zone is the Deepwater Ports program. This legislation was passed earlier this year and it established a Federal program to license the ownership, construction and maintenance of ports constructed outside the territorial three-mile limit, to unload oil and natural gas which is transported by pipelines, or shallow draft lighters to onshore receiving facilities.

Now, these ports have been determined to be necessary in the interim 25, 30, 35 years until advanced technology and other of the strategies take hold and relieve the United States of its dependence on offshore oil. This program explicitly recognizes there is going to be a lot of oil and gas imported for several decades to come.

Like the Outer Continental Shelf situation, deepwater ports depend for their effectiveness on access to the coastal mainland and involve the siting of extensive numbers of facilities on the coast.

Now, the third of these major strategies is offshore nuclear development. The Energy Reorganization Act of 1974 clearly contemplates the offshore location of what the statute describes as nuclear utility operations or the total nuclear fuel cycle, or both, including, if appropriate, nuclear fuel reprocessing facilities, nuclear fuel fabrication plants, retrievable nuclear waste storage facilities and uranium enrichment facilities. The bulk of this, like with OCS, like the deepwater ports, implies and has as a necessary counterpart the siting of facilities on the mainland in the coastal zone.

So there you have three strategies to come to grips with this energy problem, all of which are vital and all of which share in common the problems of requiring siting of facilities in the coastal zone. Now, what has been done about this?

As a matter of fact, we have what I characterize as a critical hiatus in the national energy policy program with respect to this critical bottleneck. Although Congress has studied the problem of energy facility siting extensively for many years and has had under consideration a number of proposed bills providing for an orderly regulatory process to plan and select appropriate energy facility sites, Congress as yet has not enacted any such measures.

Now, the fact that we do not have Federal facility siting is further compounded by the fact that there is neither any Federal or state legislation which requires counties or municipalities to develop planning processes, or even zoning regulations which would fill this need. Indeed, the only law presently in force which even provides a possible statutory basis for such state and local planning for siting of these facilities is the Coastal Zone Management Act of 1972.

And, it must be stressed, this is a voluntary program. However, it's becoming increasingly clear that both Congress and the Executive Branch are relying on, and I think by necessity, the use of the Coastal Zone Management Act and its implementation as the means for addressing this vital siting of energy-related facilities.

The question I think, therefore, we must consider this morning is what are the prospects of success of achieving and filling this critical need in our national energy program by means of the Coastal Zone Management Act?

On the plus side, it must be recognized that the great majority of the states and territories have gotten off the block with great alacrity and are working enthusiastically and in considerable depth on these programs.

However, and I do not intend to inject a note of pessimism, but I think that realism compels recognition of the fact that, until many of the hard decisions are reached, and some unpopular state legislation comes up for consideration, that it is premature to conclude that all or even a meaningful number of these states and territories will, in fact, come through with a coastal zone plan that in fact, contains adequate regulatory process to accomplish the siting of energy-related facilities in the coastal zone.

In this connection, the sole provision within the act which refers directly to the siting problem, is Section 306(C)(8), which provides that prior to granting approval of a management program submitted by a coastal state, the Secretary of Commerce shall find that the management program provides for adequate consideration of the national interest involved in the siting of facilities necessary to meet requirements which are other than local in nature.

In other words, this is not action-forcing language. There is nothing in the statute that requires the enactment of siting procedures as a condition precedent to approval of coastal zone planning; and even had the statute been drafted with action-forcing language, it could easily have been evaded by the fact that if a program is voluntary in a state, it could simply not participate.

Now, this is not to say that the act as written is either worthless or necessarily ineffectual. At the minimum the act sets the stage for a dialogue, a dialogue in which the coastal zone management agency can devise action-inducing, as distinguished from action-forcing strategies. And I would like to discuss some of these strategies.

What are the basic minimum requirements for public acceptance of adequate energy facilities and siting procedures? That is, I think, the critical

question that is involved in the siting question.

Now, it must be first recognized that it is no mere accident that there is no national or state legislation which requires counties or municipalities to develop planning processes that provide this regulatory procedure to authorize siting of energy-related or industrial facilities.

The vacuum no doubt exists because until these recent energy imperatives came upon us, the Federal government and the various state governments have historically regarded siting decisions as an intrinsically local matter. And it is perhaps not too much to say that this whole area was regarded as politically untouchable until quite recently.

Now, any combination of inducements, if they are to succeed in allaying these local fears and opposition, must therefore address the basic reasons for the fear and mistrust. Local decisionmakers must initially be convinced and be armed with persuasive evidence to convince their own constituencies that siting of energy facilities can not only be achieved without unacceptable impacts, but in a way that produces significant benefits for the locality involved.

But, in order to establish this proposition convincingly, it is, of course, first necessary at the earliest -- and I stress that -- the earliest possible moment, to disseminate reliable public information and to activate an early and continuing public participation.

Now, one of the critical elements of a successful public information - public participation process is that all of the impacts be identified and fully discussed and that the full explanation be supplied as to how an avoidable impact will be avoided, and how mitigable impacts will be mitigated, and how unavoidable impacts will be compensated.

There are essentially five basic impacts that so far I have identified and I apologize a bit for the brevity with which I must treat them because

this tends, I think, to understate to a great degree the complexity of the problems. But my discussion will identify general areas, and as we all know, in time refinements will come.

The first such impact is the so-called "threshold" effect on the infrastructure of existing coastal facilities which are called upon to provide housing, roads, schools, churches, sanitary, health facilities and all the rest of that, to accommodate the large additional population that is attracted to the area where an energy facility is being developed.

Now, these are impacts that are particularly dramatic and evident in places like Scotland, and we have had the benefit of the Scottish experience but also in the United States. It would be very evident in places like Alaska, New England and the Carolinas which are sparsely populated, relatively, and where these accretions of new people would be particularly noticed.

These impacts manifest themselves long before OCS development action gets going, long before, because they are the necessary precedents of the start-up. Then you have the basic environmental impacts, and paradoxically these are so visible and so identifiable that they may well pose fewer difficulties than the complex socio-economic problems or the threshold.

We have now a decade or so of baseline environmental experience to indicate that environmental problems can be contained; quantified problems are easier to handle than as yet unquantified and unmitigated problems.

Similar to this is the third kind of impact, the likelihood of oil spills and the consequences. There has been a great deal done, I think, to allay public fears about that, both because of the technological improvements to minimize the chance of it happening and the ability to clean it up more effectively than was the case when some of the earlier, dramatic oil spills occurred.

A fourth impact which is probably of equal complexity and subtlety to these threshold, socio-economic ones, are the impacts on vital coastal zone activities, such as the fisheries and recreation and things of this sort, which involve extremely difficult and judgmental types of tradeoffs and priorities.

Finally, in the case of, particularly, Outer Continental Shelf oil and gas development, you have these particular problems of when the resource is depleted, what will you do in the post completion period as to the phasing out? It will not be enough simply to have adequate funding sitting around to put everybody on welfare when it's over. What rather is needed are long-term economic strategies, diversification and things of this sort.

Now, from the foregoing general description of these impacts, it is clear once the public has been taken into confidence by a credible public participation program, it is necessary to explain the impacts to them and the strategies to minimize, mitigate and avoid these impacts.

The second great step is to be able to show them convincingly that there will be financial and other compensations which will offset unavoidable impacts; and this, I think, is where we are going to need some additional legislation beyond that presently contained in the Coastal Zone Act.

Now, when Under Secretary Whitaker testified before the House Appropriations Committee last October, to acknowledge to the Congress that they were starting on the Outer Continental Shelf program, he indicated that there were existing mechanisms. But I am, myself, doubtful that they are tailored to the particular kind of subtle compensations that will be necessary to handle this problem on a publicly acceptable basis within the various municipalities and state governments where this reckoning must be made.

Finally, a third major element, and I think with potential for getting public acceptance, it will be necessary in this voluntary CZM statute to mount this absolutely essential regulatory forum for siting of these energy-related facilities in the coastal zone.

The incentive for this derives from the Federal consistency provisions in the act which Mr. Brewer will talk about in more detail. But the Federal consistency provisions may well provide one of the most psychologically important inducements for state and local cooperation by helping to allay local suspicion and misgivings about the loss of decisionmaking power in the coastal zone.

And the most deep-rooted rebuff to cooperation is the fact that the coastal decision-making will be abrogated and superseded by some distant, Federal authority. Now, if correctly presented, the Federal consistency provisions of the act offer convincing reassurance of, not only that local interests can be adequately protected, but they will, upon the approval of their coastal zone planning, henceforth have a potent legal system for assuring that Federal decision-making will be consistent with the state planning.

So that subsequent Federal decision-making will not only be subjected to the restrictions of NEPA, the National Environmental Policy Act policies, but they will be subject also to conformity with the approved state coastal zone management planning so that states, if this is correctly presented to them, will be given a considerable incentive to devise an acceptable program because by so doing, they thereafter have effective standing to assure that all subsequent Federal activity in the coastal zone shall be in accordance with the strategies expressed in their approved planning.

So in conclusion, I am by no means pessimistic that, despite the fact that the siting of these kinds of facilities is generally not regarded with pleasure by the various eligible states, despite the fact that there are great pressures of time and we have at best, a voluntary type of program in which to

do it, I still remain convinced that if the public information - public participation approach is done on a credible basis and the impacts are fully and fairly delineated, if adequate redress of unavoidable damages is provided for and that the states and the localities be shown through the Federal consistency provisions, that they will be investing in a better future essentially their planning will be determinant of decision-making in their area in the future, I remain sanguine that we can get this critically necessary job done.

If any of you have any questions I will be glad to answer them.

Yes, sir.

MR. HERN: I'm Louie Hern from South Carolina and I am concerned with the public involvement program in that state. And you touched on a point of credibility which I think you have been saying all along, and it has been my personal experience in traveling around the state, to find a great, to use the phrase, "credibility gap."

Number one: there was one question asked by the citizens enough for me to include it in a general list of repetitive questions and that is this, "It is fine that the Secretary of Commerce, once he approves the plan, then automatically obligates the underlying Federal agencies to act in consistency with that plan. But, up to the point of approval, the Coastal Zone Management Act of '72 is clear in that approval will not be given to the state plan " -- And I am talking to the man on the street's viewpoint -- "until it fits the Secretary of Commerce's interpretation of it." And they are sure that he is going to include options.

They are sure that the Corps of Engineers are not going to write off their permitting powers in this respect; they are sure that if the question comes down in the coast of Carolina right now, South Carolina -- my apologies to North Carolina -- but on the coast of Carolina, a factory sitting on

the coast, is still the exception rather than the rule on industry.

The question that I think is involved is the thing that I think you people at the Federal level are going to have to do is to increase the credibility of that clause, that Federal consistency thing. You are going to have to put it in everyday language to allay fears that fine, in the end run, local government says the state is going to write the management plan; you are going to give us the guidelines, therefore it is going to be a state plan.

Going up the ladder it says the Federal government is going to say, "Have you done adequately this? Have you done adequately that?" They are going to jealously hold onto their options for implementing this act. So in reality, you are implementing a Federal act to begin with.

MR. WHITNEY: Yes.

MR. HERN: And this is the problem with public participation in that particular area.

MR. WHITNEY: Well, I can say, based on my experience in Virginia, that your experience in South Carolina is characteristic. And as a matter of fact, the people charged with this responsibility in Virginia -- I, incidentally, am not with the Federal government -- have just invested in a year to 18 months in the initial period to begin the public information, public participation-type thing.

And I think you are quite right that this has to be deployed with the people in literally myriad numbers of meetings. It has to be deployed on the basis of the public interest. You are not committed until you are safe. You can withdraw from the program at any time. You are not going to be bound by the terms of the program and you can withdraw from it until the point of the Secretary's approval; and thereafter you have the assurances of Federal consistency.

So, if it's cast in the old fashioned format of almost an arms-length deal and they both would walk away, the proposed buyer with the money still in his pocket and the proposed seller with his horse. I have really observed that a great deal of this local trouble that you mentioned is averted, but it takes a great deal of work.

I know there is a great deal of interest in discussing this area, but in fairness to my colleagues, I think I would like to press on and if any of you have further

PRESENTATION OF MARC HERSHMAN
DIRECTOR, SEA GRANT LEGAL PROGRAM
LOUISIANA STATE UNIVERSITY

MR. HERSHMAN: My methodology in addressing the question of Federal consistency in Federal-state relations has been to look at four case studies and to reflect on each to try to answer two questions:

First, can coastal management programs, as they are evolving, be used to resolve these four case studies? And then, secondly, are any techniques apparent in the resolution of these particular problems that might be useful in framing a process in which to resolve Federal consistency problems as they arise?

The four case studies involve the Trident nuclear submarine base that is proposed for Bangor, Washington on the Hood Canal; the Outer Continental Shelf oil and gas development on California's coast; the development of deepwater ports in Louisiana and the development of Outer Continental Shelf resources on the east coast of the United States.

A large nuclear submarine base is proposed for Bangor, Washington. It would involve 8,000 or more acres and four miles of shoreline on Hood Canal, one of the primary recreation areas of the Puget Sound region.

Local officials two years ago foresaw that should a big nuclear submarine base of this kind be constructed, there would be extensive local impacts. Therefore the local officials appealed to their Congressional delegation and visited the Secretary of Defense.

The Secretary of Defense, after hearing their concerns persuaded the Office of Management and Budget and the Federal Regional Council in Seattle,

to give Trident-related studies and projects a priority for available Federal funds.

This priority designation has provided funds for all Trident-related projects initiated so far by the local government.

At about the same time an amendment to the Military Construction Authorization Act was passed which allowed the Secretary of Defense to use construction funds to assist in funding projects to offset the impacts that would come from Federal installation developments related to the Trident base.

This is, in effect, a guarantee of funds for offsetting local impacts. If the existing funding agency such as HUD or HEW, which would normally fund a Trident-related program runs out of money, the Secretary of Defense could then use his money and channel it through the existing Federal funding agencies.

So far, no construction funds from the Secretary of Defense have been used.

In this particular case study the Shoreline Management Program of Washington, which is the key coastal management effort, has not been involved in the issue of dealing with impacts from this major Federal installation, either from the standpoint of the shoreline facilities themselves that extend into Hood Canal, or the impacts on the community surrounding the base.

Also, state agencies have received none of the extra dollars for the Trident-related studies; in effect, the local government, dealing directly with the Federal agency, is going it alone completely. So the state level coastal management program of Washington is not involved in the issue.

Let's turn now to the California Outer Continental Shelf case study. As you know from our discussions yesterday, there is a longstanding dispute over whether oil developments should be allowed at all in Southern California. You remember the oil blowout in '69; a moratorium is in effect at this time.

One theme coming out of the debate in California is that any kind of Outer Continental Shelf development should be consistent with the state's

coastal zone plan. The energy element of the California preliminary coastal plan has some very specific requirements with respect to energy development offshore.

The first requirement says that oil and gas development should not occur until at least one of two things happen. That is, it is shown clearly that California needs Outer Continental Shelf oil, or that the southwest region needs that oil.

Or, secondly, that a comprehensive national energy program clearly shows that Southern California Outer Continental Shelf oil is necessary for the comprehensive national energy effort.

Well, assuming that one of those two conditions is met and it is decided that Outer Continental Shelf oil is needed, the plan places a number of specific requirements on how that would occur. There would have to be subsea completions, platforms rather than islands, a \$100 million liability fund, protection for state and Federal sanctuaries, one-year, five-year, and ten-year plans as well as other provisions.

The California Coastal Plan has not yet been adopted. However, the issues about Outer Continental Shelf development are clearly framed.

California's coastal management program has been directly and aggressively involved in this particular issue, and has been the most visible concerned organization within the state.

Turning now to the Louisiana Gulf coast and the deepwater port issue; a number of years ago it was determined that the decline in domestic production was getting higher and demand was continuing to rise indicating an accelerated crude oil imports program was needed. Tankers were becoming larger and required greater depths.

The state took aggressive action in 1971 and '72. They did a study and passed a law providing for deepwater port development. Part of this law required that an environmental protection plan be produced. This environmental protection plan involved site selection, land use considerations, secondary impacts, environmental compensations and coordination with coastal zone management efforts.

A private oil consortium interested in building a deepwater port could not get a permit from Federal or state agencies until Congress passed a law to control deepwater port development. The state's next maneuver was to take the statute and environmental protection plan and lobby Congress. They did this effectively and early this year the Deepwater Port Act was passed.

The Federal act reflects significant state involvement in deepwater port decision-making. The states have a veto power over site selection; fees can be imposed on the operation; the states can receive licenses, and there is a provision for coordination with coastal zone management; although it's not too clear and it could be much stronger.

The Louisiana coastal management program and deepwater ports program are developing parallel to one another with relatively little integration at this time. In fact, the deepwater port program has outpaced the coastal management program.

The potential integration of coastal management and deepwater ports is high because of the environmental protection plan which is, in some ways, a mini coastal management plan. How this integration is going to come about is not clear at this time.

The east coast Outer Continental Shelf is a frontier area where there has been no drilling as yet. The fear of spills is quite high and the kinds of coastal impacts are still unknown at this point.

The U.S. Supreme Court has resolved the question of ownership, making it clear that the Federal government owns the outer continental shelf resources. East coast states want to be more involved in the decision process to exploit those resources to insure that their interests are protected. They want to protect against possible spills and be prepared for secondary impacts on the shore.

A lot of unique endeavors are taking place now to create this kind of involvement. A proposal for a New England energy authority is circulating whereby the states would create a consortium to buy the leasing rights and sell them to oil companies and impose the necessary controls.

The mid-Atlantic states have created a Governors' Coastal Resources Council which is trying to act in concert to frame the issues with which to deal with the Department of the Interior. A proposal has been made to execute one lease for an entire region, thus encouraging an oil company consortium to lease the area. Presumably planning and controls would be tighter. There are many revenue-sharing and impact payment proposals being discussed at this time as well.

Thus, there is considerable activity to frame techniques whereby the states would be involved with the Federal agency in making a decision. Interestingly, the Department of the Interior has already reacted to this pressure. This was discussed yesterday by Mr. Gaskins and includes the establishment of a policy group, and acceptance of the concept of a pause between exploration and development and support in general for a revenue-sharing concept.

In the east coast states, state-level energy coordinators and energy offices are being established. They know of the coastal management effort and they are in contact with those developing coastal management programs, but they are separate offices and departments. The role of coastal zone

management in OCS issues is uncertain and there is much talk about special laws to deal directly with the oil facility question.

No one is quite sure yet whether coastal management programs could handle this problem. There is a cautious optimism but certainly no commitment to having coastal zone management handle Outer Continental Shelf oil issues.

What is the relationship between coastal management programs and the four key facility case histories discussed? Is coastal management involved in addressing the key facility problem?

In California I would say the answer is "yes;" the coastal management program is framing the key issues that will have to be resolved. The act establishing the coastal agency in California was set up specifically to deal with these kinds of problems. Also, the public has strongly supported the coastal agency to directly address the oil question.

In the State of Washington, I think the answer is "no." There is insufficient authority within the program to get involved in the nuclear submarine base question. The legislation could be clearer where Federal agencies and lands are involved.

Another consideration in Washington is the backlash against any land management programs. Understandably, the agency was taking a low visibility posture.

In Louisiana the development of a coastal zone management program is uncertain at this time. As I mentioned before, the port issue has outpaced coastal management. The coastal management legislative prospect is unclear at this point. Coastal management might have to "piggy-back" on to key facility development programs as a way to get coastal management implemented within the state.

On the east coast the issue is also uncertain as to how coastal

management is going to be helpful in their oil-related issues. The energy leaders are very cautious about how coastal management is going to be involved; also the east coast has a history of special-purpose legislation. Special laws on wetlands, beach protection and other key facility controls have been passed. They seem to have taken a more specific approach, as opposed to a comprehensive one, on resource management issues. This history of special legislation might repeat itself on the OCS issues as well.

At this point, we cannot say whether coastal zone management is playing a major role in the key facility development problems. We should watch this question closely in the future. As coastal management programs mature, their ability to aid the resolution of key facility problems will be a good test of their overall efficacy.

A key aspect of the analysis of those four case histories is to see whether we are developing any guidance on the question of how to apportion the roles between the federal and state levels of government.

A few themes seem to emerge. First, if there is a clear articulation of the issues, there seems to be a better opportunity for resolution of them. In California and Louisiana for example, the issues raised in the energy element of the California Coastal Plan and the Environmental Protection Plan in Louisiana, seem to have put the debate in such a position that we can move to a quicker decision on the merits.

On the other hand, in Washington and east coast situation, the issues have not been clearly articulated yet. Until the issues are clarified, I don't think real Federal-state coordination can be effected.

A second theme relates to the state's organization to address the issue. Louisiana, for example, has a well-defined forum for dealing with the question of deepwater port development. There is one agency, one director and they are visible and active.

In Washington there is a lack of definition, however, of the forum in which the issues will be resolved and the level of government that should address the question. It is unclear whether local shorelines management programs should be dealing with these questions or whether it is something that should be handled by the Department of Ecology, the state agency administering the program.

In California since the agency is a temporary one and the outcome of the entire planning effort is uncertain, a clear organization to deal with the issues has yet to emerge.

The east coast is also in an uncertain situation from the viewpoint of organization to address the issues. They may be forced by the geology of the OCS area to develop an interstate organization. What these interstate arrangements will be is very unclear at this point.

The third theme emerging relates to the concept of competence to decide particular kinds of questions. Competence refers to the legal authority to decide issues and the clarity of that legal authority and the technical capacity to make certain kinds of decisions.

For example, in Louisiana the legal authority and technical capacity to decide an issue such as pipeline corridors and site selection for pipelines relating to deepwater ports is clearly in the state.

In Washington, however, authority is clouded; and also technical capacity is clouded, because there is no one responsible for developing a clear program to look at questions of facilities on Federal lands that affect submerged lands and waters of the particular state.

Using the concept of competence in legal authorization and competence in technical capacity as a technique for deciding who should make decisions where there is a Federal-state relations issue may provide clues to a coordination effort in this Federal consistency area.

I would like to outline a proposal for a seven step Federal-state coordination subprogram in a coastal management effort. These steps would provide a technique for dealing with national interest and Federal consistency questions in an ongoing, recurring manner.

It avoids at this time the special legal interpretations which are going to have to be made. Before these interpretations are available state programs must find a way to deal with Federal agencies in their state and this is a suggestion as to how that coordination might be achieved.

(1) There should be a visible sub-part of the coastal management program that deals with Federal consistency and Federal coordination questions. It should be a clearly defined person or operation within an agency, someone who is clearly identified as being in charge. It should be an ongoing operation so that experience can be developed and precedent established.

(2) The sub-program should be housed outside of the unit of government making primary decisions on land and water usage in the coastal zone. If local government or special wetlands agencies make primary decisions they should not be the units to handle this coordination effort.

(3) There must be a continual search for Federal consistency and national interest problems before they arise. This starts in the program development process, and should continue throughout the program implementation phases.

I personally believe that the A-95 process comes too late in project and program planning to expose where the national interest and Federal consistency questions will arise. The applications for coastal management program approval from Washington and Maine stress the use of the A-95 process. I don't think that gives enough time for early and complete coordination of Federal and state interests.

(4) The issues have to be divided into sub-parts. When key facilities are involved we cannot afford to say that the Federal consistency question is one of whether there should or should not be nuclear submarine bases, or who should decide that question.

The issue must be divided into many sub-parts, as many as possible. Specific issues can be handled more easily. The merits of each can then be addressed, as well as the question of who decides the issue.

(5) We have to describe the competence of agencies to decide these particular sub-parts. The competence, as I mentioned before, relates to legal authority and technical capacity. An issue development conference would elaborate on the sub-issues and discuss the competence questions; the technical capacity to make decisions and the clarity of legal authorization on particular problems. The competence level of Federal and state agencies would help determine who should make the decision.

(6) States must determine over which sub-issues Federal consistency with state desires should be stressed. I believe this can be determined from an analysis of competence. Where state and local competence on particular sub-issues exceeds Federal competence, states should assert that Federal actions be consistent with state programs. On the other hand, the more competence rests clearly with the Federal agencies, the more the national interest should be stressed and the Federal consistency requirements reduced.

For example, the nuclear submarine base issue provides a clear and easy example. The state doesn't have the legal or technical competence to decide questions of the deployment of nuclear submarines. That is outside the state's competence. Thus, the issue of a site for a nuclear submarine base is really one that a state couldn't make. Decisions about dredge spoil disposal, however, may very well be more appropriately a state and local decision.

(7) The coordination process should be recorded and used as a precedent. This allows for articulation of Federal consistency matters. Coastal management can then develop a case history file to aid in the maturation of the program.

In conclusion I would just like to say that in analyzing the Washington application for an approved coastal management program and the application from the State of Maine, more thought still needs to be given to these Federal consistency and coordination issues.

I don't believe they were adequately developed. In the long run, I think the ability to coordinate Federal and state interests is an issue that goes to the very heart of the coastal management effort.

Thank you very much.

MR. WHITNEY: I think in the interest of being sure that all of the subsequent presentations get before you that we will hold questions until after.

So at this time I would like to introduce Francis X. Cameron, who got his BA and JD Degree at the University of Pittsburgh and who holds a Master in Marine Affairs from the University of Rhode Island, where he is also an Assistant Professor of Marine Affairs.

Francis Cameron.

PRESENTATION OF FRANCIS X. CAMERON
ASSISTANT PROFESSOR OF MARINE AFFAIRS
UNIVERSITY OF RHODE ISLAND

MR. CAMERON: Thank you, Scott.

I know you are all aware of the environmental consciousness that has developed in this country in the last decade, and this has been reflected in a number of important Federal laws dealing with environmental issues. Two of the most potentially significant of these environmental laws are the National Environmental Policy Act, usually called NEPA, and the Coastal Zone Management Act of 1972.

What I would like to do is to talk about the Office of Coastal Zone Management's decision not to prepare a programmatic environmental impact statement on the 306 guidelines. Now, this decision has already been made, but I feel that a discussion of it will illuminate some of the more important policy issues that are involved in the draft environmental impact statement that NOAA has filed on Washington and Maine Coastal Zone Management applications.

NEPA has been term the most important and far-reaching environmental and conservation measure ever enacted by Congress. Basically, the law requires Federal agencies to prepare statements on proposed actions that detail all environmental impacts, including irreversible resource commitments, to examine reasonable alternatives and to disclose all development information involved in the decision-making process.

These requirements were intended to result in more rational decision-making toward the national goal of environmental protection through the use of improved planning and development of more comprehensive information, increased interagency and intergovernmental consultation and increased public participation.

For the most part, NEPA has only been applied to individual sites or specific projects, such things as the construction of a power plant or a dam or a park service ban on nude bathing on the Cape Cod National Seashore.

Now in contrast, the Coastal Zone Management Act is concerned with development of a decision-making and management process rather than posing any substantive Federal controls on specific land and water uses. The Coastal Zone Management Act is aimed at building institutions and establishing a framework for rational decision-making.

The Coastal Zone Management Act, similar to NEPA, has a strong environmental purpose. The act stresses the urgent need to protect and give priority to natural systems in the coastal zone. However, the Coastal Zone Management Act also recognizes the need for economic growth and the goal of the act is to arrive at the best possible combination of economic growth and environmental health.

NEPA requires that for each major Federal action significantly affecting human environment, an environmental impact statement has to be prepared. The trend in judicial decisions is to interpret this provision to the maximum number of Federal actions and it tends to interpret it as to applying the widest possible scope of Federal action.

Clearly, NEPA is applicable to the Coastal Zone Management Act. Although NOAA's actions under the act tend to be beneficial to the environment, implementation of the legislation may have an adverse environmental effect. And NEPA applies to actions that affect the environment, whether they are beneficial or detrimental.

So NOAA has to prepare an environmental impact statement on the coastal zone management programs. The question then becomes one of when the statement must be prepared and in what form the statement should take.

NOAA basically has two options on this. One of them would be to prepare a program which is called, "a programmatic impact statement," at the time of writing the Section 306 coastal zone management program approval guidelines.

The second option would be to prepare an individual environmental impact statement for each state when the state applies for approval of its management program and prior to the expenditure of any Federal funds.

NOAA initially decided to prepare a program statement on the 306 guidelines but they later reversed this decision in favor of individual environmental impact statements for each state application. The initial reasoning behind deciding to prepare a programmatic statement was that the Federal criteria for approving state management programs would provide standards within which the states would develop their coastal zone programs.

So this would seem to be an appropriate point for the preparation of an impact statement.

Another element of the first decision was based on the fact that possibly by preparing the programmatic impact statement that this would supplant the need for any further impact statements at the time of Federal review and approval of each individual state application.

NOAA has had some discussions with CEQ and within its staff and they decided not to prepare a programmatic impact statement, but rather to prepare individual impact statements when each state coastal zone management application came in.

In reaching this decision, NOAA decided that the substantive information upon which the programmatic impact would be based would not be available until states submitted their proposed management programs for Federal review, and therefore the preparation of such a statement at this time would be premature and would serve no useful purpose.

It was also clear that the National Environmental Policy Act would

still require individual impact statements, even if a programmatic impact statement was prepared. And its reasoning has been supported by a recent case which held that NEPA is not satisfied by the Bureau of Land Management's preparation of a single programmatic impact statement on its livestock grazing program, since NEPA also requires more individualized and local assessments of the environmental effects of grazing than can be provided by a single overall program statement.

The policy behind early preparation of an impact statement reflects a critical goal of the National Environmental Policy Act and this is consideration of the environment in the planning of a project.

According to a General Accounting Office report on improvements needed in Federal agency implementation of NEPA, one of the major defects of agency compliance was waiting until too late in the planning requirement before considering environmental impacts that that project may have.

The environmental impact statement was too often being added after a decision was made and after commitments of a lot of time and money and other resources had been made.

Both the Council on Environmental Quality and the courts have attempted to remedy this problem by directing Federal agencies to prepare the impact statement early, and to use the impact statement as it was intended as a decision-making tool.

This is supported by the Congressional intent that the actions to which NEPA applies means not only actual construction, but also project proposals, proposals for new legislation, regulations, policy statements or the expansion or revision of ongoing programs.

So it is going to be necessary in some cases for agencies to prepare broad program statements to cover these earlier stages of decision-making.

A good example of this is the program statement for Outer Continental Shelf leasing or the environmental impact statement that was required by the court to be done on the AEC research and development program for its liquid metal fast breeder reactor.

The court in this case reasoned that because the entire program would involve large expenditures of money and would have a great influence on the future generation of electric power, that it was essential to prepare an impact statement early in the process to see what the environmental impacts of this program would be before it got to too late a stage to do anything about them.

This timing aspect of impact statement preparation must be considered in light of the fundamental purposes of NEPA; (1) to provide decision-makers with information on environmental impacts, and (2) to fully inform the public of all the significant environmental effects from a particular project.

One writer has stated that impact statement adequacy in the end is measured by its functional usefulness in decision-making and that the important question with respect to the timing of when the impact statement is prepared is not when a particular action should be covered, but whether that action's antecedents would be more usefully covered.

If you apply this to the Coastal Zone Management Act, the different factual situations in each state are going to determine how they develop their coastal zone management programs.

For example, the boundary of the inland coastal zone is going to differ from state to state, depending on physical demographic and jurisdictional fact situations in each state.

NOAA cannot effectively evaluate key environmental issues until the state programs were submitted for approval. The lack of specific state

information would also prevent NOAA from assessing the impact of the entire national coastal zone management program at the Section 306 guidelines stage.

A program statement without a substantive statement of information would be, I feel, too general to prove useful and would not have any functional usefulness to the NOAA decision-makers.

Additionally, there is also the consideration of the time and money that would be committed to writing a programmatic impact statement that would not result in any substantial benefits in terms of the National Environmental Policy Act.

Although considerations of administrative difficulty, delay or economic cost will not strip NEPA of its fundamental importance, the fact that a programmatic impact statement would not have much value for agency decision-making in this case, would make cost, time, delay in implementation of the Coastal Zone Management Program an important consideration in deciding not to do the program impact statement.

Additionally, besides this lack of substantive information at the program or 306 guideline stage, the second major reason why failure to prepare a program statement under Section 306 guidelines is not inconsistent with the purposes of NEPA, lies in the very nature and purpose of the Coastal Zone Management Act. The act encourages planning and sound decision-making as a means to preserve and protect the natural biological and physical resources of the coastal zone.

This basic environmental concern has been incorporated into the 306 guidelines. Because the state coastal zone management programs are going to be evaluated in light of the Congressional objective of the protection of the natural systems of the coastal zone, the NEPA objective of a comprehensive approach to environmental management will be achieved.

The state programs are also going to be evaluated according to how they address the issue of interagency and intergovernmental cooperation, coordination and institutional arrangements.

Another one of the NEPA objectives is met, the objective of government coordination. This also is reflected in the 306 guidelines. So, the emphasis of the Coastal Zone Management Act and 306 guidelines on the development of sound decision-making and planning procedures in the state programs to achieve natural resource conservation and management would ensure that the state decision-making policies for coastal resources are not established by default and inaction.

Indeed, this is the primary purpose of the Coastal Zone Management Act.

This combination of the lack of substantive information on which to evaluate environmental consideration, the comprehensive environmental management purpose of the Coastal Zone Management Act and the process-oriented nature of the Coastal Zone Management Act, eliminate, in my opinion, the need for a programmatic impact statement for the Section 306 guidelines.

However, it is important that an individual state coastal zone program be subjected to the impact statement evaluation process and NOAA must ensure that the impact statement process is incorporated into the development of the individual state programs.

The Section 306 guidelines require that an environmental impact statement be prepared and circulated on each individual state's application and the statement is going to be prepared by NOAA, based primarily on information submitted by the individual states.

Although there is disagreement as to how much of the responsibility for the preparation of an impact statement may be delegated to a non-federal party, in the case of the Coastal Zone Management Act, there won't be any

problems presented in this case, by requiring the state governments to supply the environmental assessment information to NOAA. And NOAA is still going to maintain the responsibility for the objectivity and adequacy of the impact statement, and full evaluation of the information submitted by the state.

The most important requirements of the impact statement are the environmental effects of the proposal and its alternatives. To meet these requirements, the state environmental assessment will have to provide information on the environmental impacts of various segments of the state program, as well as what alternatives exist to the decision the state makes on an element of the Coastal Zone Management Program, and also whatever environmental impacts are associated with these particular alternatives.

The problem that is going to be encountered and has been encountered in preparing impact statements on these state program applications, is, how do you relate the NEPA requirements to what is an essentially a policy and procedure process-oriented action, rather than specific substantive action?

And this was pointed out in the environmental impact statement on the Washington Coastal Zone Management Program, because the state and Federal programs focus on a procedure rather than substance. The NOAA environmental impact statement (EIS) is necessarily going to be different than the usual project-oriented environmental impact statement.

This problem and the related issue of the amount of detail required in an environmental impact statement should present no legal problems for the Office of Coastal Zone Management. Although the courts require strict compliance with NEPA, they also employ a rule of reason for testing the adequacy of NEPA compliance.

To quote one judicial decision:

"The issues, format, length and detail of impact statements for actions as diverse as (short highway segments and broad technological development) must of course, differ. NEPA is not a paper tiger, but neither is it a strait jacket."

This indicates that the agencies have a degree of flexibility in preparing the impact statement and can tailor the statement to the particular type of problem they are addressing.

Recently NOAA filed two draft environmental impact statements on the Maine and Washington coastal zone applications. The adequacy of these two impact statements must be evaluated, once again according to the purposes of NEPA, informing decision-makers and the public of the environmental impacts of a proposed action, and aiding the decision-makers to arrive at a reasoned intelligent decision, keeping in mind the rule of reason standard that will allow for some agency flexibility in assessing impacts and evaluating alternatives according to the type of problem the agency is addressing. Courts have recognized that some situations are more conducive to environmental analysis than other situations.

Therefore, the state coastal zone environmental assessments and Federal impact statements should utilize as simple a method as possible in complying with impact statement requirements, while still providing enough information on the environmental impacts of the action to inform the public and to assist NOAA in making an intelligent decision on any one particular action.

In addition to providing information on the environmental impact of the action, concise information can also be provided on economic, technical, social or political aspects that may have influence on whatever choice the state might have made on a particular segment of the Coastal Zone Management Program.

While these first environmental impact statement attempts may be subject, to criticisms that they are weak on evaluation of socio-economic impacts, especially on certain interest groups, and that the alternatives are restricted to proposals previously debated and likely to be politically acceptable, OCZM must be given some degree of flexibility in writing an impact statement on process-oriented legislation -- legislation that is attempting to integrate environmental consideration into the resource planning and management process, which is something that NEPA has had trouble achieving.

The value of NEPA to the Coastal Zone Management approval process has been first, to open up agency decision-making process to the public view and comment. Although most of the comments at the public hearings on the Maine and Washington impact statements were not centered on the environmental statements specifically, but rather on the program itself, NEPA did serve as a vehicle for public comment and pressure on the decision-making process, and influenced public action. The public was informed on environmental and socio-economic impacts and were given the opportunity to interact with the decision-makers.

I think one way we can see where the public hearing process has influenced NOAA decision-making is that it may be necessary to have an intermediate phase between the 305 development stage and the 306 limitation stage.

The environmental impact statement process has affected agency decision-making by broadening the scope of state program review by the Office of Coastal Management. This is demonstrated by the fact that the Office of Coastal Zone Management has decided not to give full approval to the Washington program because of certain defects that appeared in the environmental impact statement review. For example, the exclusion of coverage of the construction of single-family residences and agricultural buildings in the wetlands from the Washington Shorelines Management Act.

* In the future it is important that the environmental assessments that are provided by the states to NOAA should include a brief but relevant description of their coastal environment, the uniqueness, the resources, conflicts that occur there; a description of the program and how it fulfills the broad objectives and specific requirements of the Coastal Zone Management Act; an assessment of the impacts of the program as specifically as possible, and a documenting and assessment of the alternatives considered by the state in establishing their program.

Why was a particular boundary chosen? Why was an area excluded from the areas of particular state concern? The information supplied by the state and evaluated by the Office of Coastal Zone Management should enable the decision-makers and the public to have an understanding of the impact of the state program on various special interest groups, what the objectives of these interest groups are to the state coastal zone management program, whether there is a valid basis for them, and if there is, what could be done to reduce these impacts?

This is information that should have been developed by the state in the first place if it was doing a good job of program development. Additionally, it will force a consideration of environmental factors and promote environmental sensitivity at an earlier stage of the decision-making process at the state and local levels.

In conclusion, I think that the National Environmental Policy Act has added to the coastal zone management decision-making process. Many of the decisions confronting both state and local decision-makers in coastal zone management involve trade-offs between environmental and economic values. NEPA ensures that these environmental impacts will be considered; however, the Coastal Zone Management Act will hopefully have a larger impact on natural resource

decision-making than NEPA has had so far. The Coastal Zone Management Act applies to all levels of government, rather than just the Federal level.

It requires the establishment of an institutional mechanism to lock environmental considerations into the planning process rather than by struggling along with the incremental approach of the National Environmental Policy Act.

Thank you.

MR. WHITNEY: Our final speaker graduated from Williams College and Harvard Law School. He has been an Adjunct Professor of Law at Boston College and is a partner of Hill and Barlow in Boston and is presently General Counsel for NOAA.

William Brewer.

PRESENTATION BY WILLIAM BREWER
GENERAL COUNSEL, NOAA

MR. BREWER: I have been asked to describe in rather brief compass, what the real meaning is of this phrase, "Federal consistency." The phrase, which we tend to use in a shorthand way, is becoming a part of our coastal zone jargon, if I could call it that. When a phrase reaches that stage you have to be careful to figure out what it is that you are really saying.

One of my old law school professors once wrote an article early in his career called: "Perpetuities in a Nutshell." He later stated that it was one thing to put them into a nutshell and it was another to keep them there. And I am afraid that whatever I say about consistency today will fall in that category.

Whatever the meaning is, or whatever the courts may eventually determine it to be, it is quite clear that Federal consistency is attractive to the states and is one of the principal inducements, as Scott Whitney said earlier, in getting states to comply with this essentially voluntary Act.

So, let's take a look at the law itself. I am afraid I am now going to have to become more of a lawyer than my predecessors here, in the sense that

I want to look at the actual language with which we in NOAA have to deal.

I am reminded again of a time when I was participating in one of my favorite activities, which is sailing down the New England coast, and I came to a little town where I was known. As I walked down the street, I heard two of the local people right behind me and they said, "There goes Professor Brewer; he knows everythin' but he don't realize nothin'." (LAUGHTER)

Basically there are four questions about consistency that are worth looking at.

The first one is: What are the obligations of the state to the Federal agency in developing a program with which the Federal agency will have to be consistent?

Then: To what Federal land does this consistency requirement apply?

What does it require the Federal agency to do?

And this is of interest to everyone: What are the escape hatches?

As to the obligations of the states, there are two and they are covered quite well, I think, in the 307 regulations as put out by NOAA earlier this year. So I am not going to spend a great deal of time on those.

First of all, there must be an opportunity for full participation by the relevant Federal agencies in the course of making up the coastal zone program.

Now, early in the game we have the question of what are the relevant Federal agencies? And to assist everyone in finding them, we did publish a list of Federal agencies which were going to be relevant in every case and this did require a certain amount of arbitrary judgment; but we have a list. They must be given the opportunity and that must be documented, of course.

The second obligation of the state is that the views of the agencies which are principally affected must be adequately considered. And if there is a difference of opinion, then there is a mediation process which is spelled out

in the Act and in its regulations, involving the Secretary of Commerce and the Executive Office of the President.

Now, you might say, what in the world does "adequately considered" mean? Suppose the Federal agency doesn't like what the state program contains? Mediation is then required, but mediation is not arbitration. If there is no reconciliation, what then?

I prefer not to answer that. (LAUGHTER)

I don't really know, except to say that it does not mean that the state program must comply with the wishes of the Federal agency. It's somewhere between a passing glance and compliance, somewhere in the middle ground.

Where on Federal lands does the consistency requirement apply?

There is, as you recall, an exclusion in the Coastal Zone Management Act right in the beginning of the Act, and it excludes from the coastal zone itself those lands owned by the Federal government, the use of which is by law subject solely to the discretion of or which is held in trust by the Federal government. And I would like to leave out consideration of the trust language, since those cases are relatively easily identified.

This is a lawyer's question par excellence, because in answering this question you have to go back to the whole issue of how Federal lands are held. Sometimes the lands are exclusively under the jurisdiction of the Federal government. In other words, no state laws apply on such Federal lands.

Most land in that category has been held by the Federal government for quite a long time and came into the hands of the government during the 19th century or early 20th century. Other Federal land is held simply as you and I would hold land, and subject to state law, just the way the other land is.

And some land, of course, falls in between. The reason it is complicated is that the method of holding was determined by both Federal law and state consent at the time when the Federal land was acquired.

Now, in addition to that -- this will make it a little more complicated -- you have the property and supremacy clauses in the Constitution; and what they essentially mean as to all Federal lands is that the state may not frustrate the purpose for which Federal land is held by its action or by its laws. And it may not contradict the specific provisions of any Federal law with respect to that land.

Now, to which Federal land does this exclusion apply? Does it apply to all Federal lands, or only to those which are held in the exclusive jurisdiction of the Federal government? We believe it is the latter, which incidentally includes a minority of Federal lands by area.

Unfortunately, the language used in the act "subject solely to the discretion of", is unparalleled. The word generally used, of course, is "jurisdiction," and not "discretion." So, that is subject to interpretation, and I must be frank and honest with you in stating that in the Conference Report there is language which suggests that this exclusion applies to all Federal lands.

We just don't think that is the case, because if it was, that's what the law would say and there would be no occasion for using "discretion".

So if we are correct, then the consistency requirement applies to all Federal lands, except that minority of Federal land which is held solely under the jurisdiction of the Federal government.

And the law with respect to other Federal lands will be governed by state action in the very narrow realm of the coastal zone management program. Now, that's a complete flip-over, because as I mentioned prior to now Federal law has governed where it is specifically applicable to these Federal lands; and it's only state laws like liquor laws, hunting laws, tax laws and so forth, which have been applicable there.

What are the obligations then, of the Federal government with respect to this land? And here I would just like to read this one sentence found in the Act, 307(c)1:

"Each Federal agency conducting or supporting activities directly affecting the coastal zone, shall conduct or support these activities in the manner which is, to the extent practicable, consistent with approved state management programs."

There are two or three key words and phrases there. "Conducting or supporting." Now, we feel that these refer to direct or contract operations by the Federal government. We don't think they apply to licenses or permits or grants, because those are covered specifically under the provisions of the Act.

What are "activities?" We think activities are anything the Federal government does except build things on the land, because we consider those to be development and development is covered by the next section of the act.

And finally, what does "directly affecting" mean? To us it means that the activities of the Federal government which must be consistent with the state programs may well be outside the coastal zone, as long as they have a reasonably substantial effect on what's going on inside the zone itself.

Section 307(c)2 is similar but it refers to development by the Federal government and says that basically the Federal government must be consistent with state programs when it shall undertake any development project in the coastal zone of the state.

Here we are talking about building things, and you notice this only refers to future activities, future things and does not refer to construction that has taken place in the past. That is perfectly normal by analogy with variances or zoning. It refers to developments in the coastal zone, not things which are constructed and built outside.

That might become important, for example, with respect to structures

on the shelf outside of the coastal zone. However, activities which take place in connection with such Federal developments do have to be consistent if they affect the coastal zone itself.

It should be noted that the Federal government itself makes the determination as to whether its activities are to be consistent. There is no appellate procedure built into the Act and if there is disagreement the final decision must be made by the courts.

There are two provisions which are basically similar in the Act, which concern licenses, permits and grants; and while the language is somewhat different, we feel that they work out to about the same requirements. Basically, the requirement is that before a license or a permit or a grant is extended to a third party, whether it be a state agency or a private person, the advice of the state must be sought as to whether that activity is in conflict with the coastal zone program.

And if it is in conflict, the only recourse is to appeal to the Secretary of Commerce and the grounds on which he can overrule the state are two:

(1) He can overrule it on the grounds that the national security requires it, or that

(2) the activity is consistent with the intent of the Act.

Now, we don't regard that second ground as one which entitles the Secretary of Commerce to basically rewrite the state's coastal zone program. We think it will be narrowly construed and probably used to take care of the type of situation where there is a very small and technical difference between what is proposed and the requirements of the state program. We don't think it is going to be a source of difficulty with the states.

The national security exception is clear enough, I would suppose, although it is not written into the Act that the Secretary of Commerce would consult with the Department of Defense before reaching a decision on that particular type of appeal.

There is finally, an obligation on the part of the government, and that is that we report each year to the Congress and to the Executive those Federal actions which have been taken which are inconsistent with the coastal zone programs. And if you look at the Conference Report, which comments on that particular section, this requirement is here so the Congress can take corrective action -- and one could speculate on what corrective action is. Who is going to be corrected, the states or the government, I just don't know.

Finally, what about the escape hatches? The Federal agencies do have escape hatches with respect to all of the consistency requirements. With respect to Federal activities and developments, a compliance with the state coastal zone programs is required only to the maximum extent practicable.

Now what in the world does that mean? There is one clue in the House Report on the legislation and it says that this was intended to apply to unforeseen circumstances. In other words, certain circumstances that the Federal agency could not reasonably contemplate at the time that the state program was adopted.

Again, my theory is that it will also be used for the relief of hardship cases where the Federal action is substantially in compliance but in some small detail it may not comply. It may be that the courts will have to teach us more about the meaning of that phrase one of these days.

Finally, another escape hatch for EPA resides in the fact that requirements of the Water Pollution Control Act and the Clean Air Act are unaffected by the provisions of the Coastal Zone Management Act. What that means is simply that the air and water standards set by these acts or by the states under the authority of these acts take precedence over the coastal zone program and are, in fact, required to be incorporated in the coastal zone programs.

And a final exception or escape hatch is with respect to some future Federal land use program. Insofar as there is an overlap between the coastal zone program and such Federal land use program, the consent of the responsible officials of the land use program must be obtained before the coastal zone program can receive approval.

Now, those of you who are scouting around the Act in a good lawyer-like way, may also come to the section at the end of the Act which says:

"Nothing shall diminish the responsibility or jurisdiction of other agencies; or supersede, modify or repeal existing laws." And if you haven't dealt with this kind of a clause before you would say, "Aha, nothing after all is different."

In my judgment this is not really the case. This is a common kind of clause and what I think it really means is that the Coastal Zone Management Act and authorities granted thereunder are not intended to supersede the missions of other Federal agencies. They still have their missions, subject to the Federal consistency requirement, just as every other Federal agency is now mandated to take into account environmental considerations in addition to its own specific mission.

So what we have is a situation where some degree of compulsion lurks in the background here with respect to Federal agencies, a compulsion which we hope the states never have to resort to. It reminds me a little of an incident that I heard about the other day. I was talking with the skipper of a British coast guard vessel or naval vessel engaging in coast guard duties, and he told me about the difficulty they were having with some Polish trawlers in the Thames estuary.

You know, if you are involved with this fishing business, there is sort of unwritten rule that you don't fire live ammunition at fishermen, however unlawful the activities may be that they are engaged in -- and they often are engaged in such activities. But the skipper hadn't figured out

how to handle these Polish trawlers which were within British waters. They had had difficulty with them for a long time.

Finally they evolved a strategy which worked beautifully, and it was this. They maneuvered a frigate which was engaged in coast guard duty alongside a Polish trawler and they fired off the largest gun they had on board, in the opposite direction. It made an enormous noise of course, and at this same moment the cook threw a potato through a wheelhouse window of the Polish trawler.

(LAUGHTER)

MR. BREWER: Well, I hope we won't have to resort to those devices, but there does seem to be a pattern emerging here in the Federal law. You can see it, as I said, in the Water Pollution Control Act and the Clean Air Act, which also have consistency requirements somewhat like those of the Coastal Zone Management Act, where the state simply follows certain requirements and guidelines, many of them involving Federal agencies, reversing the old doctrine of Federal supremacy in a certain limited and carefully regulated area.

The result, I think, is going to be a process of mutual accommodation, with possibly some litigation over the escape hatches before we are through, but mostly I think, a friendly process which will take place after many discussions and after the realization of the importance of Federal legislation and programs to the states. And finally with the realization by Federal agencies of the importance of these state coastal zone management programs to their own activities.

I think we in NOAA have an important role in trying to help both sides to comply with the Act, but more importantly, to help each to understand the other's problems, and to work closely with both in the future.

MR. WHITNEY: With great precision, Mr. Brewer finished at the appointed time for recess and coffee break, so I am afraid that any questions will merely be on a tete-a-tete basis.

MR. KEATING: I would like to mention to the group that we did receive a compliment this morning. The conference manager indicated this morning that the people participating in coastal zone management really know what they are doing. And I asked the conference manager, How can you tell that? And she said: "Well, most groups, when the speaker says 'good morning,' they answer 'good morning,' but you people in coastal zone management, you write it down."

Actually, this place really is well organized. You know, when you are wearing all your badges and buttons. A carload of tourists came by yesterday and they said, "What is this group anyway? Are they a group of war heroes? decorated heroes?" And my answer was, not yet.

How do you like that one?

(LAUGHTER)

MR. KEATING: There are three conferences going on simultaneously here. One is the Coastal Zone, the other is a group of organ players and the third is a group of teachers of modern math.

I went into one of their sessions last night and the head modern math teacher was haranguing the other modern math teachers about the preparation that the new teachers coming out are receiving. And he went on to say that they are getting very poor preparation, that 80 percent of the graduating teachers cannot divide and the other 30 percent can't add.

(LAUGHTER)

MR. KEATING: Thank you.

You have to have two required ingredients for a successful panel. One is that the issue that they will be treating is one that is affecting all of us at a particular time and the other ingredient is that the panelists are experts in their field who are working on these issues on a daily basis.

This morning our panelists will share with you what legislation is under

consideration in Congress that could impact on coastal zone management programs. They will attempt some prognosis of some measures and try to describe for you the effects of those measures on our program.

Recently the Senate Commerce Committee sent to the state contacts a copy of a bill which is presently being considered by the Congress, S.586, the Coastal Environment Act of 1975. Senator Hollings and other committee members are requesting comments from the states on this particular piece of legislation.

To date 15 states have responded and the comments have been for the most part very good and very helpful in redrafting this legislation. The Commerce Committee asks that the additional state contacts please prepare their comments and get them to the Committee prior to its mark-up in June.

We are very fortunate in having with us today Congressman Charles Mosher. Congressman Mosher is one of the original framers of the Coastal Zone Management Act. He is the ranking minority member on the Committee on Science and Technology and he is also the ranking minority member on the Oceanography Subcommittee of the Merchant Marine and Fisheries Committee, the legislative committee which handles coastal zone management legislation.

The Congressman has a special interest in the coastal zone and especially in the Great Lakes. We are very fortunate to have with us today Congressman Charles Mosher. I wonder if the Congressman would stand up, please.

MR. KEATING: As lead-off panelist we have this morning Mike Harvey, who is the deputy chief counsel of the Interior and Insular Affairs Committee. Although in the Senate and also in the House, legislation is assigned to a particular committee, oftentimes that legislation might have an effect on legislation that is pending before another Committee.

The example last session is S. 3221 which passed the Senate although it had no companion legislation in the House. During that time, Mike, on the Interior and Insular Affairs Committee, worked very closely with the Commerce Committee staff.

That legislation had OCS-related provisions as well as the coastal impact funds. And now again in the 94th Congress, the Senate is considering legislation, S. 521, which could have a significant impact on coastal zone management programs.

Mike Harvey.

PRESENTATION OF MICHAEL HARVEY
DEPUTY CHIEF COUNSEL, SENATE INTERIOR & INSULAR
AFFAIRS COMMITTEE

MR. HARVEY: Thank you, Dick.

You folks that are here this morning are very, very fortunate. I found out this morning from Bob Knecht that you are going to hear and have resolved for you all of the problems that exist in Washington and all of the confusion.

He explained earlier at breakfast, that once you got outside of the Beltway in Washington the people got very confused about what was going on in Washington and it needs some explanation. I am going to be delighted to hear this explanation this morning from these other three gentlemen.

I live outside of the Beltway and I find that things get much more confused as I go inside the Beltway than they are outside of the Beltway.

Someone also said that you are going to hear what might be going to happen in this Congress. While sitting here it occurred to me that what I think might be going to happen in this Congress is pure speculation -- I am careful after 15 years in Washington never to predict what 535 people are going to do, particularly if they are working in two separate committees, one of 100 members and one of 435, each with a responsibility to a different set of individuals back in their home state and no particular overriding leadership within their own group.

For the benefit of those who aren't familiar with the legislative process, I should explain that it is basically designed not to enact legislation. In fact, the more one works with it, I think the more you are convinced that it is designed expressly to prevent the enactment of legislation.

I strongly suspect that many people over the years, and perhaps even the founding fathers, were aware of the truth that was enunciated a hundred and some years ago by a New York judge who, when he threw a gentleman's case out of court based on a new law, simply told this disappointed litigant, "No man's life or property was safe while the legislature was in session."

(LAUGHTER)

Before I get into the specifics of what I think may be going to happen in Congress, I think it's important to focus a little bit on what the 94th Congress is all about, particularly in the energy area.

I might call this: "My observations about the land of drift, dawdle and debate," as it was recently described by a leading American citizen.

I think, first of all, that Congress is really reasserting itself. They are reacting to what Arthur Schlesinger called, "The Imperial Presidency." They are flexing their muscles a little bit.

At the same time, they have been reformed. Everybody knows the Congress has been reformed. Well, the end result of reform, at least in the immediate time following reform, is a lot of confusion.

The Congress is extremely irritated with what they regard as irresponsibility and nonresponsiveness by the President of the United States, a gentleman now who has vetoed more bills than any other President in the history of this country, during the time he has been in office.

They get particularly upset, I think, because although the one party is a strong majority in both houses, they find that the President's party works against the kind of legislation that the President says that he wants and

then the President promptly blames the other party for the problems.

I think you are going to be finding Congress taking a closer look at everything going on. You are not going to have laws written like the Outer Continental Shelf Lands Act of 1953, which as a former executive branch employee, I regard as an administrator's dream. This is a law that gives all of the authority to the administrator that he needs with absolutely no guidelines whatever. He can use it in whatever way he wants. It says that the Secretary in his discretion may do thus and so when he finds it's in the public interest.

This, I think is the reason that the Administration is opposing any changes in the Outer Continental Shelf Lands Act. They opposed it last year -- together with the oil and gas industry. They are opposing it again this year and in fact, it would be my assumption that if Congress passed the revision of the OCS Lands Act tomorrow the President would veto it.

I am sure that by now some of you are sick of hearing about outer continental shelf oil and gas. If you are in the coastal zone business, it seems to me you are interested in a lot more things than OCS oil and gas.

The problem is that we now have this tremendous concern, the energy imperative, if you want to call it that, of developing our own domestic resources and the fact is that OCS has a large share of those resources.

The Federal government, of course, owns all of the OCS oil and gas, but it also owns well over half of all the energy resources of this country and the Constitution tells the Congress to make the rules and regulations for that resource.

Congress, as other speakers this morning have pointed out, is a lot more concerned now than it has been about the guidelines for development of those resources. Typical Federal resource laws are quite similar to the OCS Lands Act. They say: "Go ahead and allow the coal to be developed by private industry or the onshore oil and gas or the oil shale," and there aren't too many guidelines.

Congress is thinking a lot more about what the guidelines and policy ought to be. Congress is thinking a lot more about another problem, and that is that while all of the people of the United States own these Federally-owned resources and the Federal government has the basic responsibility for describing how those plans are going to be developed, there is obviously an impact on some of the people of this country from their development, those that live in the areas of the impact.

Whether you are a resident of Wyoming or Montana and are concerned about the Federal government stripping the Powder River Basin for its coal resources and building 35 power plants in the area, or whether you are living on the coastal zone and are worried about what is going to happen if the oil and gas industry is turned loose all over the OCS, not just because of the possibility of oil spills, or just because the platforms would be visible from the door and would spoil your view, but also with what is going to happen to all of those workers who presumably are going to come to live near the shore and in the coastal area, who are going to bring their wives or husbands, their children and various other people with them, some who will want to go to school and presumably want to live in a house, and unfortunately, from the standpoint of local government, they are going to demand local government services.

I think with respect to OCS legislation we have pretty well identified through a whole series of Congressional hearings -- as Dick pointed out, actual passage by the Senate last year by a 64-23 vote of legislation -- what the major issues are in the OCS area. And, despite the pessimism I expressed earlier about the vetoes and opposition and so on, I think there is hope that the Administration will see the light on this issue.

Certainly, from an administrative standpoint, the way that the Department of Interior now says it is going to handle the OCS program after today, for example, is a lot different than the way the department planned to handle

that program in March of 1974, just prior to the time that Senator Jackson introduced his bill.

And in fact, the standard Administration position has been, we don't need this legislation because we are going to do administratively all of the good things that are in it. They agreed to a whole lot of the bill and they are going to do things that way, "So why don't you just trust us?" Well, I think the Congress is not prepared to go that far.

There are about eight major issues, I think, involved in this business.

One is the basic question of coordination of Federal decisions with the states. How do we go about doing it? How do we give the states a bigger voice in the decision-making process? We will talk a little bit more about that later on.

A major point is finding a way to separate the decision to allow exploration for the oil and gas resources, if there are any on the outer continental shelf, from a decision to develop and produce those resources. Under the present system private industry does that; private industry does it under a lease issued by the Federal government that allows exploration and then if oil and gas is found, development and production.

Is there a way to separate the two? We think there is. We think there is a strong need to explore and to try other ways of leasing than the present, cash bonus and royalty system. I am sure that we are going to write some new methods of leasing into the legislation.

Certainly there is a need to improve the planning and execution of baseline studies to get them actually done before development takes place, to continue the monitoring after development is ongoing and particularly to look much more closely at the onshore impacts. That is an area that has been almost entirely ignored in the past and we learned something yesterday on this topic from Pamela Baldwin and others. But there is no question about it, the Federal government has tended to ignore the onshore impacts of Federal

OCS decisions.

We need basic improvements in the regulations governing safety of the oil operations once they are taking place. We certainly need more requirements on industry to divulge information, first of all to the government, although the Federal government at least at this time, gets a lot of information. The major problem probably is knowing what to do with the information. The states need to get a lot of that information, and then there is a certain point at which the public is entitled to a good deal of the information, even though some of it might properly be kept confidential for a period of time if divulgence of it would be advantageous to the competitor of the oil company.

We think there is a definite need for some form of Federal assistance to offset the impact on the coastal states. Exactly what form that would take is one of the major issues before us.

As Dick pointed out, last year in the bill the Senate passed, that form was an earmark of OCS revenues, not to exceed \$200 million a year, in a fund that would be available for states if the states demonstrated to us some adverse impact of OCS development, and the fund would be parceled out by the Secretary of the Interior under guidelines and regulations developed by the Secretary of Commerce. And that is the way that we try to link the coastal zone program with the impact program.

Basically, I think that any bill that is going to be passed, and I am reasonably confident that Congress will pass such a bill, will set out for the first time, some kind of a national policy about the outer continental shelf, stating that it is there, it is a national resource, it should be developed in a way to protect all of the other resources - such as fisheries.

I am sure it will also recognize the need for assistance to the coastal states. There will be a requirement for advanced planning. The bill now calls for a ten-year advanced plan to put the states on notice of what the Federal government intends to do over time. And that plan and program will

be developed with the cooperation of states.

There will be express provisions for public participation and probably citizens suits to enforce the act. There will be a statutorily mandated separation or pause between exploration and development production. I assume that that will be in somewhat the following shape: the issuance of a lease to a private oil company, which simply gives them the right to explore for oil and gas, but not necessarily the right to develop and produce it.

If they find something that they wish to develop, they will have to submit a development plan and that plan will go into some detail, not only of what they plan to do offshore, but perhaps even more importantly, what they plan to do on shore, what kind of facilities they intend to build, what they think they will need.

This will be tied in, in many instances I hope, to leasing by entire structures so that you won't just have development plans submitted by Exxon on its one lease and next month another one coming in from Arco and next month another one coming in from somebody else.

The Secretary will be directed to look at, whatever way the leases have been issued, the whole field that's out there so that we will know he is looking at a whole unit.

There will be a separate environmental impact statement on that development plan with special coastal state review; and I think if it isn't already required in the Coastal Zone Management Act, there will be consistency requirements that will be applied.

The key thing I think that we need some help on from you all is, what is it that you think the states need to know? What information should the Congress be directing the Secretary to get from the oil companies? What information do you need so that you can get a better idea of what the impact is going to be on you or what your plans ought to be.

And finally, when that process has been completed, the Federal govern-

ment would then be in a position to say, yes, go ahead and develop in accordance with this plan -- of course they could require modification in the plan -- or, no, you can't develop.

That gets into the very sticky wicket of taking private property which some people at least think it does. The oil companies cry and moan bitterly that if the Federal government reserves the right to shut everything off, that no one will be interested in the outer continental shelf. There may be some need for compensation to the companies, although I don't believe there will be.

We will, I am sure, establish basic liability for oil spill damage. The bill that passed the Senate last year did that and will no doubt do it again this year. As Bud Walsh is going to mention, that there is a general oil spill bill that has now been introduced and if it is enacted, it would replace the specific one for the Outer Continental Shelf.

I will assume that this will probably be some kind of a fund for absolute liability without a fault, funded by the production of the OCS. There may be a limit on it, say \$200 million per incident. Or it may be unlimited, as in the Deepwater Port Bill.

In addition to the absolute liability it would create, in effect, causes of action for damages to fisheries or to recreation uses where people now have no cause of action whatsoever, even if there is fault involved.

I mentioned the bidding systems. One idea that is referred to as the Phillips Plan -- based on a proposal made to our committee by Phillips -- but I don't know whether Phillips still owns up to it now, it's been substantially modified.

There is a lot of concern over whether the United States is getting a fair return for its property. We own something out there that we, the citizens of the United States have gotten billions in income from. We are getting most of that income from great big cash bonuses paid in order to get leases

in the first place. That is an excellent system for someone who needs cash flow for the budget. The Office of Management and Budget at the Federal level thinks it is a dandy way to do this business because the Federal government is sharing no risks.

If the company pays \$100 million or \$200 million for a lease and there is no oil, the Federal government still has that \$100 million or \$200 million.

One of the problems is that we aren't sure, of course, what the resource is out there so in some cases the public may not be getting enough and in other cases we may be getting more than we deserve.

The basic thrust of most of the other methods of leasing that are under consideration is to reduce the dependence on the cash bonus and to increase the U.S.'s share, the people's share, of their oil and gas recovered. So that we may go to simply a higher royalty, say 40 percent. We may go to a net profit share of the bidding where we actually share the whole risk with the company and then maybe share in the profits.

We are definitely going to mandate production from leases once they are issued. This is a serious problem today, particularly when you have artificial constraints on the market which we do in natural gas and on oil. There have been some rather suspicious declines in the production of oil from the OCS in the Gulf, although those are relatively old fields and one wouldn't expect production to decline. They have suddenly started to decline at about twice the rate that most people think they ought to. And some people are cynical enough to suggest that that's being based on anticipation that instead of \$5.00 a barrel, they can get \$11 in another three or four months.

Over half of the gas wells on the OCS are not producing anything and that doesn't mean that they are just all producible and shut in, but we are conducting an investigation there to find out why those wells are, in fact, shut in.

Finally I would like to focus on a couple of things that I know Bud Walsh will be talking about. With respect to the coastal zone bills -- the two things that I think are the toughest issues in connection with the bills. That is, what role the states ought to play in making these Federal decisions or have in the making of a Federal decision to make Federal oil and gas available to meet our national energy needs.

And second, what form Federal assistance to the states should take. There seems to be agreement that the states should have a bigger and different role, for example in the decision-making process, than they have had in the past.

And the question, it seems to me, ranges from a state veto as in the Deepwater Ports Bill, to some kind of formal appeals process -- that was in the bill the Senate passed last year -- to some kind of regional arrangements of special OCS advisory boards, with Federal-state participation.

You could have interstate arrangements under the Coastal Zone Management Act. Or you could do something along the lines of what the Interior Department is proposing now with a national policy board that might be broken down into regions, where that was appropriate, depending on the area where the sales were going.

As I say, right now, the bills before our committee call for state participation in the program development. They talk about a veto -- I'm sorry, not a veto -- they talk about a formal appeals process. If the governor of a state doesn't like what the Secretary of the Interior decides to do he appeals to a special board that is chaired by the Vice President of the United States.

That's all well and good, except that from the states' point of view, it seems to me that all of these fellows on this board work for the President, and if the President decides he wants to do something he can just tell a board member how to vote.

So there must be, it seems to me, some way to formalize the role. It may be that it is simply enough to deal through the Coastal Zone Management Program and I think that's something that will need help from the states.

On the Federal aid to the states, as I mentioned before -- the Jackson bill (S. 521) talks about earmarking a share of OCS revenue with the states getting that money upon demonstration of impact. There are lots of other proposals.

One of them, of course is flat, outright revenue-sharing. And as I understand it, the Interior Department thinks revenue-sharing would be a dandy idea and the President decided that that would be nice to study so we will study it for a while.

That raises a lot of issues, and quite frankly I don't believe that the Senate is prepared to vote for flat-out revenue-sharing, although it has the great virtue of simplicity. There are bills pending -- Senator Johnston's, for example, is going to urge our committee very strongly to adopt a bill of his that is a combination of outright revenue sharing, with the share of revenue going to the state where the oil is offshore. From the standpoint of the State of Louisiana, which is Senator Johnston's home state, that has some obvious advantages. A considerable amount of oil has been brought ashore there. It also has some advantages for the oil industry in general because I think they think that if somebody is on the receiving end of that pipe, they feel that they would like to have a pipe if the money comes through the pipe as well as oil.

I'm not sure whether the states necessarily want that kind of arrangement, however.

The coastal states funding that I mentioned was earmarked to the OCS revenues. Many people regard earmarking as something of an anathema, but on the other hand it is a sure source of funding presumably, as opposed

to an appropriated fund.

There is the other side: straight impact aid with appropriated monies. This has some problems, it seems to me, for the states, individual states. You would have to come in and demonstrate your impact, and there you get into a real problem of how you measure those impacts. Who decides whether an impact is bad or good?

There is another significant issue as to whether a state which would be eligible for revenue sharing or impact aid or whatever, should be participating in a coastal zone management program. There are some people, myself included, who think that they should. However, I know that the philosophy of the Coastal Zone Management Act is a voluntary program.

Now again, we are interested to hear the views of the people here as to whether you think that the states should be participating in coastal zone management programs with its planning requirements, and if they were doing that, perhaps that would be enough to be able to demonstrate the impacts.

There is another aspect of this, a subheading as to whether the Federal government should make loans available as well as outright grants. There may be cases where the states can show that they certainly need money right away, so that the Federal government could make a loan and then if there was proof later on of adverse impact, the loan, in effect, would be forgiven and it would turn into a grant.

And that is another area that I would like to get your thoughts on.

With that in mind, I'm going to turn this over to Bud Walsh, who is going to fill you in on what the Commerce Committee is doing on this subject. This issue is typical of a number that are before the Congress now, and that is, not only do we have some conflict and differences of opinion between the executive and legislative, but we have an overlap of committee jurisdiction. And it is very clear that anything that is done on the OCS has an impact on the coastal zone.

The Interior Committee handles the OCS business; the Commerce Committee handles the coastal zone business and we have been engaged in a long and I think very fruitful effort in trying to develop coordinative approaches to these problems so that we aren't in the position of having one committee going one way and the other committee going the other way.

Bud.

PRESENTATION OF JAMES WALSH
STAFF COUNSEL
SENATE COMMERCE COMMITTEE

MR. WALSH: Thank you, Mike.

I think it is fair to state that the relationship particularly between the Commerce Committee and the Interior Committee has been very good, owing to the fact that two senior Senators from the State of Washington chair the respective committees. When the going gets tough they sit down and decide it's time to settle and move on. This makes it very helpful; it keeps the staff in line, and keeps us out of trouble.

We have, in the Commerce Committee, nearly completed a redraft of S. 586 which is designed essentially to dovetail with efforts on OCS legislation in the Interior Committee.

The Commerce Committee is the authorizing committee for the Coastal Zone Management Act and over time has expended a considerable amount of effort in examining the success of that Act, and in certain instances, in preventing its demise.

At one point, which you all know well, there was an Act in being but there was no money for the Act, and therefore, there was no Act in being. There were some hard fights in which we began with a small amount of money and increased that over time. We expect in this bill -- the numbers are somewhat frightening -- we expect to expand this effort even more.

We first became interested in onshore impacts when we learned of the

Department of the Interior's proposal to develop ten million acres on the Outer Continental Shelf. The Administration had decided that the U. S. was going to become independent of any foreign source of oil and they were going to do this soon.

I think, just as Mike stated, that the OCS leasing program has changed considerably since March of 1974, not only because of the activities of his committee in taking a look at how leasing programs are administered, but also because of the increased desire, particularly in the Commerce Committee, to express coastal state interests in onshore impacts and how they were managed.

We began with a series of staff investigations into the question, dovetailed with the creation of something we called, "a National Ocean Policy Study." "NOPS" is a functional mechanism whereby we can give added staff expertise and special attention to very important national ocean policy questions.

We examined oil and gas activity in the North Sea and in Southern California with particular attention to its impact on the coastal zone.

From that effort, we have now boiled it all down to one piece of paper: S. 586, which is a fairly modest bill. It neither prevents discrimination nor pays the national debt, but we think it --

(LAUGHTER)

MR WALSH: -- we think it approaches a number of the problems very well, beginning with how states can deal with the problem of OCS development, as well as development of energy facilities generally.

I think that when coastal zone management began there was a general feeling -- and its not a very old concept -- that the coastal zone somehow should get special attention and that there were greater conflicts, greater difficulties in managing land and water resources in coastal areas than anywhere else in the continental United States.

But I think if that was true at that time, it's gone up by an order of magnitude. We now see deepwater port development approaching; the best place for most energy facilities is still in the coastal zone; and we anticipate that there will be more and more Outer Continental Shelf leasing. And soon I think you will see a considerable change in activity in the coastal zone as a consequence of the outcome, or even non-outcome, of the Law of the Sea Conference, namely the addition of an economic resource zone in which we will have wide authority over fisheries and over almost all activities in the area surrounding our coasts.

So I think it is likely that the predictions that began in the discussion over coastal zone management are going to become more true than ever. Consequently, we feel that at this point in time incremental improvement of the Act, in terms of the focus on certain special problems, is needed, as is added assistance to the states.

The bill, S. 586, addresses about five general areas and I will mention them briefly, before moving on to a specific one. The bill, first of all, relates to the question of planning for OCS development as well as energy facility development. It creates a grant program to assist states in, hopefully, not only planning, but also in providing compensation for adverse impacts. It also adds a beach access element to the coastal zone management program.

In addition, the bill encourages or hopes to encourage establishment of regional or interstate entities to deal with the problems that are of more than one state in consequence, and it adds an authorization for coastal research.

One other thing in the bill, which I won't dwell on to any length is an Energy Facilities Siting Act revisited. Title 2 contains two of the less objectionable elements of the Administration's Energy Facilities Siting Act,

including provision for an assessment of what the national needs for energy facilities are and then the requirement that the Federal government develop expedited procedures to get permits approved or not approved so that the kind of delay we now experience can be done away with.

Getting back now to the principal question of OCS, the idea that we came up with was something in terms of enhancing the Act rather than changing it. Those of you who have worked with the Act of course know that it is comprehensive. It includes energy facility siting now and there was never any doubt that it did. But we now feel that, because OCS development and expanded energy facility siting are going to put a strain on the rather limited capability and resources which now exist in the states, an extra shot in the arm and the identification of special emphasis is needed.

So we are not changing the Act in any sense of the word or making it do something that it didn't do before, but we're simply saying we must have priority here and we want to have concentration on it.

So, essentially what S. 586 does is encourage each coastal state to come up with an energy facility siting process as well as a beach access planning process that will dovetail into the existing plan. It provides funds for assisting a state to do that and gives them a certain period of time within which to bring this special element into their plans. After 1978, these elements must be in all coastal zone management plans.

Secondly, it helps the program to get going by providing funds from a special impact grant program. This was the question that Mike asked: what approach do you think is best? How do you provide special assistance to the states? Should it be accomplished by earmarking trust funds? And do you provide for outright revenue-sharing or do you want to appropriate funds?

When the Committee began to consider the impact program we thought was most appropriate, it felt that the experience of the Coastal Zone Management

Act had given the states the ability to plan for certain events, plan for development, and plan for conservation. The amounts of money that are being discussed are at least an order of magnitude larger than what the entire coastal zone management appropriation now is -- \$200 million would be offered up for revenue-sharing or trust funds.

It is clear that we now have an agency in the Federal government and state organizations which are now handling the impact of development and conservation in the coastal margin. It would make no sense to establish an even larger program with more funds, standing side by side with the existing effort but lacks experience. If this were the case, it is obvious that there would be a lot of shopping around and the state would simply say, "Well, we don't need to have a coastal zone management program, and boy would I like to have a lot of that \$200 million to improve the Mardi Gras or build a new golf course somewhere," which is what has happened under revenue-sharing, and ignore the Coastal Zone Management Act.

This kind of argument came up, I remember, in the Deepwater Port Act. The term was "a sweetener." In the OCS situation it can be more than a sweetener; you can get the whole candy store. And I think people began to look at that and more and more began to see that you just can't give the money away and say, "here it is." First of all, there will be trouble with other states that won't get any money. They are going to say, "why did you give them that money? Are you bribing them to allow offshore development? What about me? I have an interest. That's public land which theoretically belongs to me, too."

So the Committee felt that it was much better to devise a bill under which impact funds would be disbursed using the experience of the Coastal Zone Management Act.

Thus, the bill uses, first of all, a grant process, based on a \$200 million authorization for appropriation to a coastal state so that such

state may plan for the economic, environmental and social consequences likely to result from energy facility siting during OCS development.

The purpose is to help states develop the capability to plan for OCS development once it gets the information that Mike's committee is hopefully going to get from the oil companies. State officials will sit down and say, "Well, what does this all mean for us? How many roads must be built? How many schools?" The first step must be to begin planning. These grants would be available in an amount up to 100 percent.

Now, the question of adverse impact is, of course, a difficult one. Lawyers, when you get right down to it, don't have too many tools in their bag of tricks. They are always coming out with phrases like "adversely impacted," and "reasonably and directly," and nobody knows what they mean.

We have decided, and hopefully Bob Knecht will help us out. You know he was the Mayor of Boulder, Colorado at one time. Anybody who is a Federal bureaucrat and the mayor of Boulder, Colorado at the same time has got to be crazy.

(LAUGHTER)

MR. WALSH: In S. 961 this determination will be made by the Secretary of Commerce as to what is adverse impact. I suspect that the interpretation as to the need for planning funds will perhaps be a little more liberal than the adverse impact grant since one must study whether there will be impact.

The second feature is not so much planning as it is closer to what might be called compensation. This is an alternative to the grant and loan program that Mike briefly mentioned. It requires a showing of adverse impact and there are essentially two steps. First, there must be a net adverse impact and it must be caused by certain Federal permitting activities -- this could be any energy facility, including OCS.

These funds would be used for projects aimed at managing net adverse impacts. That is, projects aimed at reducing, ameliorating or compensating for net adverse impacts in the coastal zone. Secondly, these grants would provide for public facilities for public services made necessary by the location of construction and expansion and operation of energy facilities. The matching amounts would be up to 100 percent for these projects. Now, of course, Congress must busy itself deciding exactly what projects will be appropriate for funding and I think this can be done in legislative history and something we must give further consideration to.

So therefore -- recapping again -- under S. 586 a coastal state can qualify for a planning grant and for a grant to compensate for net adverse impacts.

Now, the next possibility is a nuance of the second grant category -- it's sort of like preliminary approval of a coastal zone program under Section 306. We are in that same never-never land. The loan program is set up to fit the situation in which there might be temporary net adverse impact. Under 586 if a state receives a grant and it is later shown that the state, in fact, suffered no adverse impacts, the grant is converted to a loan which must be repaid.

If there are adverse impacts, then it remains a grant. The idea is to expedite the situation in which a state is uncertain about adverse impacts but at the same time the state needs some assistance.

Now, what is meant as adverse impacts? Well, it's difficult to say and I think this is a term which will require administration to help interpret. It is defined as a negative difference, to the state involved between benefits and costs attributable to exploration, development or production of energy resources or the location and siting of energy facilities. In short, the costs exceed the benefits.

There has been much discussion about this. Some of you have followed the arguments about various studies on this issue -- the Louisiana and Texas studies come to mind, about what impact oil and gas drilling has had, but I suspect there will have to be some very, very new capabilities to examine this question, perhaps even a new field of study to understand and analyze what is an adverse impact.

I just might come down to an argument over tax structure in this area. Some states may handle OCS impacts through their tax structure simply by applying their tax laws or property laws to those facilities which are located in their jurisdiction. Some states might not, and hopefully we can devise a useful formula whereby we can determine exactly what's happening.

There are other conditions for receiving pieces of this \$200 million, either through the planning grant I spoke of or through the grant or loan program for net adverse impacts, the compensation portion. The state must be receiving a program development grant under Section 305, and making reasonable progress toward 306. This is where we do have some disagreement with states which aren't too sure whether they will have a Coastal Zone Management Program, but at the same time want assistance for OCS development. Finally, a state must demonstrate that the proceeds of the grant will be used in a manner consistent with the Coastal Zone Management Program.

So, I think it's fair to state that there are strings attached; but we do not believe, after analyzing these strings that they are onerous. The alternative is simply a revenue-sharing type of approach, which causes great problems for many in Congress. I think Mike mentioned that revenue-sharing is not a viable concept at the moment.

Congress is now focusing on a formula which says, "yes, indeed, this Federal activity did cause some problems for which we, as national decision-makers, feel you should be compensated." But there is difficulty in trying to provide a program that is not a giveaway, while at the same time satisfying

the very legitimate interests of the states in terms of the burden they must carry to provide energy facilities or energy resources for the rest of the nation.

I don't think I will go into any depth on the other aspects of the bill. I will mention, as Mike said, we have a new bill on oil liability. It is essentially devised to substitute for the Alaskan Pipeline Act provisions on liability and the deepwater port provisions which improve the Water Quality Act liability provisions for oil spills, and we substitute it for the bill that Senator Jackson sponsored on OCS. It is a complicated scheme whereby we provide liability for a large fund, as well as making the spiller responsible on a no-fault basis. It essentially provides damage money for all damages that occur and that can be proven, including damages to natural resources. For those of you who might be interested, I have a few limited copies of this bill, S. 1754.

MR. KEATING: Thank you very much, Bud. There are copies of some of this legislation on some of the back tables. You can see the happy marriage that has to take place between Congressional Committees.

Yes. Two or three questions.

The gentleman here (indicating).

MR. DOUGLAS: Yes. My name is Peter Douglas, a consultant with the California Legislature. It is a question to Bud Walsh and first I would like to support some of the concerns that Dave Bardin just raised.

Something that you mentioned in terms of the newly-printed S. 586 that raises some concerns to me. You mentioned that as a condition for the state to get impact funds or planning funds to plan for the impact, that the state would be required to be a participant under 305 or 306 of the Coastal Zone Management Act.

I didn't quite understand whether it requires if we have completed a

305 program that in order for the state to get those OCS impact funds, or the state would have to be a participant under 306.

If that is the case, I would voice some serious concerns about the flexibility of the states continuing the coastal zone management program. Is that the case?

MR. WALSH: No, that's not the case. The state would be eligible for a grant under the law if the Secretary found that the state is:

(1) either receiving a program development grant under 305 and making reasonable progress toward a 306 grant; or

(2) has already gotten a grant from 306.

Either one is needed. Reasonable progress is moving along. There is no requirement that you have gone to a 306 program as yet if you are continuing with your program and expect to continue it in the future.

MR. DOUGLAS: All right. But if the state has completed the 305 part of the program and has received its matching eligible funding for the requisite number of years and chooses not to go into 306, not to seek approval by the Secretary of Commerce for a coastal zone management program, it would not be eligible for these impact funds.

Is that correct?

MR. WALSH: As stated in the bill, that is correct, yes. The theory behind this, very simply, is that it is felt that this kind of mechanism represents a balance that was struck in 1972 about the proper relationship between states and Federal interests in the coastal zone and that this is the proper mechanism for disbursing impact funds.

The question of adverse impact is a very difficult one, but I think it's one that we'll simply have to attempt to define because the simple answer the one that Mr. Dave Bardin wants, is perhaps too simple. Now, we have done that before; we have made it very simple.

The history of this country is that to solve a problem you spend some money, but it hasn't worked. We have tried formulas and we continue to try formulas which can get to the heart of the problem. Dave used the term "reasonable compensation." I'll bet you he can't define that. That's the problem -- should you make it simple or should you identify what you are trying to do?

In S. 586, the Committee is trying to compensate states fairly for the kind of net or whatever impact they will have. We can sit down and agree theoretically but what does that mean in practical terms? It gets difficult.

I do not believe that we need to cast up our hands and say, "Well, we can't do that so let's take the simple solution." I think that is an escapist point of view and that is the reason that we are trying to find the mechanism, albeit a complicated and very difficult one. In human relationships it is impossible to devise these kinds of things to the satisfaction of everyone. But I don't think we should quit.

And in terms of strings, you know, nobody really knows what strings are. Strings to some people are good; strings to some people are bad.

OCS is a very different situation than lands located totally within a state. They were annexed to the Federal establishment, the Federal entity, because of the fact of a legal decision.

It seems to me that we must make an effort to come up with acceptable formulas for doing this kind of thing and not bypass a working program. There were good reasons for establishing the coastal zone, I think reasons that are now being shown to be correct.

So, if it becomes an alternative just forget coastal zone management, because if it did, I think that this is exactly what might happen.

MR. DOUGLAS: Just a brief comment. I don't want my question to in any way disparage the coastal zone management program. I have very strongly supported that, but we need flexibility in the future of the program down the road in time for these kinds of funds.

MR. WALSH: Well, I interpreted it as being a disparagement, because you said that when you came to that point the state might say, why continue? Well, that's exactly the question that will be asked. I think the sponsors feel the program is important enough that it is not case into a secondary role vis-a-vis these tremendous management problems related to oil and gas.

MR. KEATING: One last question.

MR. SULLIVAN: Yes; I am Carl Sullivan, Sport Fishing Institute and I have a comment about the compensation for economic and social environmental impacts on the coastal states.

We certainly support this -- some sort of a grant or compensation, but we believe maybe it ought to extend substantially beyond the coastal states, because if you view the governmental policies overall, you could find a great many of them that dwarf an impact, the impact that the OCS oil development is going to have.

Take for instance the impact of the policy or lack of policy on the Federal government's part for strip mining activities. The gentleman mentioned that New Jersey oil might fuel the nation. West Virginia coal has been fueling the nation for years and the impact of that activity is a thousand times as great, in my experience, as any offshore oil development is ever going to be.

We believe the mechanism exists already to handle substantial portions of the impact funds through the Land and Water Conservation Fund. Now, this may not take care of a lot of the impact, but it certainly would some of the mitigation and some of the recreational values that may be actually

sacrificed in OCS development.

So I hope, since we have got so many influential people from Congress here that you keep this idea in the back of your mind: that if we are going to compensate coastal states, let's not forget the other states that have been damaged through Federal policy like some of the grazing policies in the West, the oil development in Alaska's North Slope which is not offshore and so as a consequence they are not in a position to be possibly benefitted from any compensation funds.

But consider the use of the Land and Water Conservation Fund for a portion of the compensation monies so that all of the states, even those interior states who have not been fortunate enough to have oil development, but who as the courts have said, own a part of the OCS oil, can share from some of the benefits.

Thank you.

MR. HARVEY: Carl, I appreciate your comments. I am sure you are aware that last year the Senate passed a bill that would increase the earmarked OCS revenues of the Land and Water Fund from \$300 million to \$1 billion a year.

Certainly the Congress is trying with strip mining; we have passed it twice.

And finally, with respect to Alaska, as a citizen of the United States I can't help but point out that Alaska has received from the United States a grant of land amounting to one-third of the area of the total states and all of the oil development in Prudhoe Bay, for example, is for state land they got from the Federal government. Not only that, the state gets 90 percent of the revenue of the federal oil and gas costs. They are getting a lot of help.

MR. KEATING: I'm sorry I have to cut this off. The chef just put his head in the door.

I do wish to thank the panelists and all of the participants. Thank you very much.

(LUNCHEON RECESS)

(AFTERNOON SESSION)

MR. ARMSTRONG: Okay, would you take your places for the afternoon session, please.

MR. KNECHT: Before we begin the afternoon session I would like to make a couple brief announcements.

First, with regard to grants in our program under Section 305. At last year's conference in Charleston a little more than a year ago, we were very pleased to be able to announce the first three grants in the program to the states of Maine, Rhode Island and Oregon. That was, in effect, launching that particularly important part of our program.

Today, as a matter of fact, we are able to make announcement of three additional grants of the program. They are not the next three; I think they are in fact, grant numbers 35, 36 and 37, but they happened to come up today.

There are also grants 6, 7 and 8, in the second year of funding the states. So these states are among the first half a dozen that are getting second-year grants.

First, a grant of \$197,000, the Federal share to the State of Mississippi to continue the second year of their program. Don Cuevas, the Vice Chairman of the Mississippi Marine Resources Council is here.

Don, where are you? Congratulations, Don. Keep up the good work in Mississippi.

MR. KNECHT: The second grant of \$120,000 is for the second-year program of the State of Alabama. I think Alabama is not represented this afternoon.

Last, but far from the least, a Federal grant award of \$620,000 to the

State of Texas and to the chairman of the afternoon, Bob Armstrong.

MR. KNECHT: And that leads me to my introduction of Bob Armstrong who is the chairman this afternoon.

Bob is Land Commissioner of the State of Texas, a statewide elective office and as such he is unique among those who are administering coastal zone management programs. He is the only one who is elected statewide.

He has degrees in government and law from the University of Texas; he was in the Texas Legislature and in the early days when in the Texas Legislature co-authored with Senator Babe Schwartz who, I think, is known to many of us, most of the early beach and coastal zone legislation in the State of Texas. He has been involved in coastal zone management long before there was a Federal coastal zone management program.

He is on the Advisory Committee of the Southern Growth Policies Board, President of the Western State Land Commissioners Association. That is an association of commissioners of the 17 Western states, land commissioners.

As Land Commissioner of Texas he is responsible for the administration and management of 22.5 million acres, both land and offshore in that state. I hazard a statement that that is probably a larger area than most of the rest of the coastal states individually, in fact entirely.

Recently he was voted by Texas professional journalists as the elected official in that state most available and most candid in dealing with the press. And I think that says something about Bob Armstrong's approach to coastal zone management and to his other responsibilities.

As an afterthought he has indicated that he plays with a handicap of five on the golf course and has challenged any conference participant to play on the Pebble Beach course immediately after the conference adjourns tomorrow, or this afternoon before it adjourns if the panel gets dull.

(LAUGHTER)

MR. KNECHT: Anyway, it is a great pleasure to turn the afternoon session over to Bob Armstrong.

MR. ARMSTRONG: Thank you very much. This is a happy duty for me to perform. Let me stress that I have not made my appearance here today as chairman of this panel, contingent upon receipt of that grant, but we are delighted that it came through.

Let me make one announcement: you have a speaker tomorrow who is named Bert Muhly and he would like to show some California coastal slides in Merrill -- I presume everybody knows how to get to Merrill, but I don't -- at 7:30 tonight.

VOICE: It's right here.

MR. ARMSTRONG: Okay, this is Merrill. I don't know how to get to Merrill.

(LAUGHTER)

MR. ARMSTRONG: But these slides very graphically demonstrate the need for coastal management and many of the problems they are getting into involving the decision-making process. And the people I have talked to who have seen these slides say they are not only a good slide demonstration and presentation, but also well worth your time just as a matter of beauty. Some are taken from airplanes flying as low as six or eight feet.

And so we urge that you do that. I think it would be a good preface for his presentation. I think most of you know the Mayor of this area. I think he has been a city councilman and has been very active in getting the California program under way.

The title of this session is, Time and Tides Wait for No Plan. And what you probably don't know is that there were several titles that were submitted and then the best one was selected. I feel that I should tell you that my submission was, How to Implement a Plan Without Becoming Known

as a Son of the Beach.

(LAUGHTER)

MR. ARMSTRONG: For some reason that was turned down, maybe for obvious reasons.

We got up at 7:30 this morning to meet with our panelists so that we would ostensibly learn things like where Merrill is and that kind of thing. It was very difficult for me to get up. It reminds me of the story of the mother who was having a great deal of difficulty getting her son out of bed to go to school. And quite to her concern, he said that not only did he feel like he didn't want to get up, but that he wasn't going to get up ever again and go to school.

She recognized this as a crisis and said, "All right, if you can give me some good reasons why you shouldn't get up and go to school that's one thing, but I am going to give you some reasons why you should and we will see whose reasons are the best. "

He then proceeded to say that first of all he liked to sleep in; that second of all he said, "Mommy, the kids just pick on me," and he said, "I don't like it, they are rude to me." And he said finally, "I am just through with all of this."

And his mother said, "Well, I am going to give you two reasons why you ought to go. First, you are 37 years old and second, you are the only principal they have."

(LAUGHTER)

MR. ARMSTRONG: You know, I have said to Bob in times past and quite seriously, that it really doesn't make much difference how well we plan if we don't have a work product that we can offer that is acceptable and a program that is meaningful in terms of intended purposes.

And three reasons I think perhaps this session this afternoon really

gets to what I would call the second plateau of where we have been and hopefully, where we are going. For this reason I am extremely happy that we have the kinds of panelists that we have.

As I told you, I have met all of them and they have unquestionable credentials. I would like to start with another selected topic which is called, "The Locals Have It."

Sometimes I travel in my attempts to sell our plan and I get the feeling that they are saying, the locals have had it, but this is an item that I think is extremely important to all and particularly to the people who are going to have to deal with this at a legislative level, because local government has to have this part; and if you don't provide it, frankly I perceive that you are going to have some difficulties as far as your salability in the legislative halls are concerned.

We have Arthur Cooper, who has a Ph.D. in botany. He assumed the position of Assistant Professor in Botany in North Carolina State University, in Raleigh, and in the area of plant ecology in 1963. He was promoted to Associate Professor in 1968 and subsequently became a full Professor, in 1968.

In May of 1971 he took leave from North Carolina State to assume the duties of Deputy Director of Programs and Plans of North Carolina Department of Conservation and Development. With the reorganization of the North Carolina government he became the Assistant Secretary for Resource Management of the North Carolina Department of Natural and Economic Resources, a position he has held ever since, while continuing on leave from North Carolina State.

I think it is significant to point out that in addition to his teaching career he received an award as Outstanding Teacher at North Carolina State in 1966 and in 1969; in addition he received an award from the North Carolina Wildlife Federation in 1970; and an American Motors Conservation Award in 1972.

Art Cooper.

PRESENTATION OF ARTHUR COOPER
ASSISTANT SECRETARY
DEPARTMENT OF NATURAL AND ECONOMIC RESOURCES
NORTH CAROLINA

MR. COOPER: Thank you, Bob.

It is a pleasure to be here and to be able to talk about North Carolina's program in coastal management. When I was leaving the room to come over here, some fellows who came with me from North Carolina asked me what I was going to say. I said, "Well, I was going to tell them like it is." They laughed and said: "No, you are going to tell them like you think it is or like you hope it is." That may be the case.

Be that as it may, what I want to do this afternoon is to give you an idea of the history and nature of North Carolina's coastal management program and to comment to you on some of the lessons that I think we have learned from it which might be of value to those of you in other states.

One can summarize our coastal management program by saying that it is a plan designed to implement the North Carolina Coastal Area Management Act of 1974. This is a comprehensive piece of coastal zone management legislation that contains in it most of the necessary authorities to implement the Federal Coastal Zone Management Act.

The background of the North Carolina program is, I think, somewhat instructive. The Coastal Area Management Act emerged from a realization, now perhaps ten years old, that some sort of management program needed to be developed for the coast's resources. This realization, of course, more or less confirmed a similar realization at the national level. In 1969 the General Assembly passed an act requiring the state government to develop a comprehensive and enforceable plan for the management of North Carolina's estuaries. The State Coastal Area Management Act was the descendant of that legislative mandate.

The legislation that ultimately emerged outlines a program with a clear

division of responsibility among the various levels of government. State government is responsible for technical services and for coordination and establishment of guidelines for planning and implementation. The basic responsibility for planning rests with local government and the final responsibility for enforcement and implementation is shared between the two levels of government.

The legislative history of the State act is also instructive. The original bill, written in 1972 and 1973, contained provisions for very heavy state responsibility and it vested most of the major authority at the state level. It became pretty apparent as a result of early reviews that legislation of that sort simply wouldn't fly; in fact, it wouldn't even get introduced. The bill in a substantially revised form was introduced in the 1973 session but no action was taken. Extensive public hearings were held during the summer of 1973 and several of us from state government and several selected legislators visited three states in the fall of 1973 and stole a number of ideas from them. I want to acknowledge here the valuable contributions of Florida, Maine and Vermont in this regard. Furthermore, we borrowed liberally from the Oregon and Washington legislation.

A legislative committee substitute was introduced in early 1974. This bill was probably as heavily lobbied and debated as any bill that has been considered by the North Carolina General Assembly in modern times with the possible exception of the death penalty issue and liquor by the drink.

The Coastal Management Act was successful and liquor by the drink failed! The bill was debated for something in excess of 15 hours in the floors of the House and Senate, an unheard of length of time for legislative debate. Ultimately the bill passed on the next to the last day of the session and was ratified immediately thereafter.

Virtually all of the revisions and modifications of the bill which resulted from the various legislative considerations were designed to enhance the role of local government and to make these provisions of the act more specific.

Now, in order to give you some background, I'll run through the requirements of the act very quickly. I don't want to dwell a long time on these, but you really can't understand what we are trying to do without understanding what the act tells us to do.

The first thing that the act does is mandate a joint state and local program of planning and management for the coastal zone. I'd like to read the six or eight lines from the act that describe this allocation of authority. I think they are probably as explicit a piece of the English language as I have ever seen.

The title of the first substantive section of the act is, Cooperative State and Local Programs. It says that "the Coastal Area Management Act establishes a cooperative program of coastal area management between local and state governments. Local government shall have the initiative for planning. State government shall establish areas of environmental concern. With regard to planning, state government shall act primarily in a supportive standard setting and review capacity, except where local governments do not elect to exercise their initiative. Enforcement shall be a concurrent state and local responsibility."

The act defines the coastal zone in terms of a set of very specific criteria. In effect, any county that borders on either the Atlantic Ocean or any body of water that contains salt water, is by definition a coastal county.

The act establishes a 15-member Coastal Resources Commission to supervise the program. The qualifications of the members are specified. Twelve of the 15 are to be nominated by local governments and all 15 ultimately are chosen by the governor.

The act establishes a 47 member Coastal Advisory Council made up of representatives of local government, various state agencies and several interest groups.

The act assigns the responsibility for oversight of the planning effort jointly to the Department of Administration and the Department of Natural and Economic Resources (DNER), and has assigned the responsibility for implementation to the DNER, the department I represent.

I might add here a point that is of some relevance. Concurrent with the effort to pass this Coastal Area Management bill a bill was also passed that extensively reorganized DNER. That bill passed virtually without legislative change. There are a variety of reasons for that, not the least of which is the legislature's preoccupation with other issues. The important point, however, is the composition of DNER that resulted. Our department now contains the state's programs in air and water pollution control, local government planning, marine fisheries, economic development, recreation, forestry, minerals and fish and wildlife. We have basically all of those responsibilities needed to develop a coastal zone program located in our department.

One of the act's principal features is a provision for a mandatory program of land use planning by local governments. The act is mandatory and not permissive in that regard. It says, effectively, "Thou shall plan and if thou don't, the state will." It also prescribes the schedule on which that planning is to be carried out. Furthermore, it calls for the development of guidelines by which the planning is to be executed.

The act authorizes designation of critical environmental areas, what the act refers to as areas of environmental concern, by the Commission. It defines seven broad categories of areas of environmental concern and it provides criteria for recognizing these. It also provides for the designation of these on an interim basis and finally on a permanent basis.

A program of permits for developments in areas of environmental concern is also established. These permits are divided into major permits and minor permits. Local governments can qualify for the authority to issue minor permits if they wish to do so. Major permits are issued by the Commission, and the Commission acts as an adjudicatory and appeal body at the state level for all actions on permits.

The act strongly suggests that DNER develop a program of permit coordination that requires a close coordination, not only of the permits for development in areas of environmental concern, but for all other existing environmental permit programs. We are instructed to see to it that these permits are issued in a coordinated fashion and there are fairly concise requirements for permit coordination and joint review written into the act.

Finally, the act contains in several places very pointed statements that nothing in this particular piece of legislation shall permit the taking of private property rights by state government.

In terms of implementation of the Coastal Area Management Act, the following represent the major accomplishments to date.

The basic concept of the act is to develop a truly cooperative planning process involving state and local government, each with fairly specific, well-articulated roles. The actual implementation of all of this, the orchestration of it, is by the Commission.

The allocation of functions again is instructive:

The functions allocated to state government are:

- ° to provide technical data,
- ° to prepare general guidelines for planning,
- ° to review plans for uniformity and conformity,
- ° to develop certain elements of enforcement and,
- ° to develop the Federal consistency part of the effort.

Local government is given the responsibility for:

- ° the basic execution of land use planning
- ° the execution of a comprehensive program of public participation
- ° responsibility for granting permits for minor developments in areas of environmental concern (if they choose to do so), and
- ° enforcement, particularly outside of areas of environmental concern.

The Commission is the body upon which most of the quasi-legislative authority contained in the act is conferred. It also can act as a liaison and mediation body. It has the final power of approval over the local government land use plans. It gives final approval to the basic decisions made by state government. It designates the areas of environmental concern and it acts as the permit-letting and permit adjudicatory body.

The following actions already have been taken toward implementation of our act. The act became effective July 1, 1974. The Governor actually defined the coastal area prior to that date. The criteria written into the act are so specific that he had no latitude with respect to his definition and it was thus a pro forma action. There are 20 counties that compose the North Carolina coastal zone. A line from the western edge of the Dismal Swamp, south to the city of New Bern, and thence along the tier of counties fronting the ocean defines our coastal zone.

The Commission and the Advisory Council were appointed within ten days of the first of July and they have been active ever since.

The guidelines for local planning were promulgated during the summer of 1974, were extensively considered by the Commission prior to review by local governments during the fall and finally adopted on the 27th of January, 1975. These guidelines provide a summary of the planning requirements in layman's language. They also provide the requirements for the technical details of the planning process, including requirements that local governments set goals,

utilize and apply a land classification system and that they designate areas of environmental concern. And finally, the guidelines also include the first cut of statements on definitions of areas of environmental concerns and permissible uses in such areas.

The local government planning effort began last fall. All 20 counties and 84 towns and cities in the coastal area indicated their desire to carry out their own planning. In other words, they took up the gauntlet that was thrown down to them. We have, by a judicious massaging of funds already available to us and the money that has so kindly been made available by the Office of Coastal Zone Management, managed to make available something in excess of \$730,000 to these local governments for use in local government planning activities. The 20 counties and 84 towns and cities have been consolidated into 46 separate contracts for planning. These contracts became effective on the first of January and will remain in force until next December.

An extensive public participation program has been developed. Betsy Warren described that this morning and I shall not try to improve on what I am certain was a very articulate explanation.

Preliminary nominations for interim areas of environmental concern were proposed by the Secretary of DNER in the fall of 1974. These have been debated by the commission for several months and their strategy at the present time appears to be to let the local governments come back with recommendations for such areas in their preliminary land use plans. These will be consolidated with the commission's own views and action on this subject will be taken in conjunction with the approval of land use plans which will be taking place roughly a year from now.

A study of the permit coordination problem has been executed and plans have been developed to accomplish the permit coordination required by the act.

The reorganization of DNER, according to the mandates in the reorganization statute, has been carried out and the department has been thoroughly

restructured. As a part of this reorganization, DNER has developed a system of regional offices, two of which are located in the coastal zone. The principle laying behind this move is a desire to try to decentralize our program delivery service and get it down closer to the place where problems are and where people are making decisions.

Now, what have we learned from all of this? A series of general comments that I think may be useful to you.

First of all, the public acceptance of the program on the whole has been good. There are some notable exceptions to this, but generally speaking, public acceptance has been better than we had dared hope it would be. Our situation in the legislature also seems reasonably good. There has not yet, and I emphasize "yet," been any concerted effort to try to bother the act. Most people seem to be taking the position, let's watch it and see what happens, see how it goes.

I think, all things considered, that we were fortunate to have had the bloodletting that was involved in the legislative debate over our act prior to its passage. There were no issues that were debated in conjunction with our bill that are any different from issues that have been debated anyplace else. I picked up a copy of a paper in Los Angeles and it described one of California's hearings up north of here. All one had to do was to strike out the names of people and names of counties and substitute North Carolina people and North Carolina counties. There are no new arguments. The basic arguments come up at some point, so you know you might as well get them up sooner rather than later.

One of our major problems has been coordinating and orchestrating what we are trying to do. The extremely rapid pace at which our act requires us to move, the large number of actors that are involved, and diversity of their interests have led to some really monumental problems of coordination.

When you lay on top of all this the fact that we have been reorganizing our entire department at the same time, we sort of have the feeling that we are running a monstrous juggling program. However, I think we have finally gotten the program down to the point where it is reasonably well institutionalized and we think that we are beginning to narrow down the coordination problems.

One of the serious difficulties that we ran into early on is a lack of technical data. The act says that state government is supported to supply technical data, but unfortunately, when we looked in our bag we discovered there was precious little in the way of technical data to give to local governments. We have been trying to get the responsibility and authorization to do this type of work for ten or 15 years but our legislature has not seen fit to give us the funds to do it.

In this regard I will repeat a plea that I have made several times before that this is one area where I think we need much more assistance from the Federal government. This is one thing that the Federal government can do that the states can't do. From our perspective we would much rather see them concentrate on doing something that is impossible for us to do through lack of resources than trying to help us do things that we think we can do reasonably well ourselves.

One problem that of course has been critical, one that Mayor Wilson mentioned last night when he discussed dealing with local governments, is the question of competence of local government planning efforts. I would suspect that most of the local governments that we are dealing with in our coastal zone would probably fail the test that Mayor Wilson articulated yesterday when he laid our criteria to describe a local government that was fully capable of accepting these responsibilities. There are a lot of reasons for this. The basic one is that they don't have any experience at planning. What we are doing is starting from dead flat scratch with

with people, for example, county commissions, who can't read well enough to understand what a letter says they are supposed to do. And you know, when you have got that kind of a problem you can't worry about having a sophisticated planning process. First of all you have got to get them to answer the letter.

So, what I'm saying is that although we had to get in and deal with local government, we had monumental problems with their limited capabilities. But that is simply just a fact of life, because politically there is no way you can hope to implement a program without dealing with local government and its frequently limited ability. You might just as well recognize this fact.

Designation of areas of environmental concern is, I think, going to be a problem. With respect to our act, this is the first place where the cheese really becomes binding; it's the first place where the commission sees that it could take an action that is going to get somebody really mad and is likely to infringe on somebody's property rights. Thus, rightly and logically, it has been approaching this with extreme caution. We can anticipate that we are going to have many a round on this subject before we actually get the matter to a conclusion.

The question of institutionalization of the program in state government is a very important consideration. The way we chose to institutionalize our program was probably somewhat different from the way others might have gone about it. We did not choose to set up an agency to manage the coastal zone. There is no organization anywhere in North Carolina that one can find on any government chart that is labeled "coastal zone management."

The coastal zone management program is a program assigned for implementation to DNER. It is being implemented through DNER's established division structure, with programs assigned to the appropriate division. There were

several reasons for this. The first of these was that we felt that the institutionalization of a program in that way would have greater permanence. In other words, there would be greater fallout value from that type of activity on other functions. There is nothing that we are doing now in our coastal zone program that wouldn't be completely applicable statewide in a statewide land use program. What we are really doing is setting the stage for that type of activity, placing the agency in a posture to be able to deal with that kind of problem, if and when it comes.

In the second place, with the program institutionalized that way, diffused, it seemed to us that it would be a little more difficult for the program to be excised, as it were, by a legislature. It becomes a less visible activity and a more deeply rooted agency-wide program.

And finally, we felt that we could do the program more economically that way. In other words, there would be less necessity to build up a substantial bureaucracy to administer it.

We hope to be able to have our management plan, our Section 306 proposal, developed sometime during the upcoming fiscal year. Thus, we would be looking for approval sometime, say, a little bit over a year from now. We feel that our Coastal Area Management Act provides a good planning framework and that we have all the authority we need in the planning area. However, our state implementation powers may be a bit weak. They were deliberately slightly weakened as a concession to pass the act. We are going to have to resort to some efforts resembling those of other states making full use of existing powers and coordinating these in order to fully meet the requirements of Section 306. We have a substantial number of other existing powers that can be utilized. We think if we can draw these together we will be able to do a fairly good job of implementing the program.

In this regard we feel that one of the important things we have that really is going for us is the structure of the implementing agency, the

Department of Natural and Economic Resources. We think we are very fortunate to have as many authorities as we have, from local government planning to pollution control, in one agency. We feel that provides us with the maximum opportunity for coordination.

We have made practically no progress in the area of Federal coordination and Federal consistency. We have that matter yet staring us in the face.

In summary, our Coastal Area Management Act provides what we consider to be a noble beginning. It mandates a planning effort and the framework for limited regulation. In order to achieve maximum success under the act, however, we are going to have to be able to develop a much fuller coordination of existing state programs and integration of these with the state act.

Thank you.

MR. ARMSTRONG: I think what we will do is reserve questions for the panel as a group at the end and one of our stated purposes is to move this thing along. And with your permission and your anticipation, we would like to cut the coffee break from 30 minutes that is allocated to a perhaps more reasonable time, because we have -- we will see how Dave does with his presentation.

One of my other stated purposes is to at least let you have one or two tales to take home with you that you might want to tell around.

And the next one I would offer concerns the land commissioner who was awakened one Sunday morning quite early by a call from a priest who announced that there was a dead mule in the parking lot in front of the church and what did the land commissioner intend to do about it?

The commissioner said that first of all the public highways were the province and function of the Highway Department and not the Land Office, and that it was awfully early to be called on a Sunday morning after a tough night before, and thirdly, he said: "Aren't you people responsible for the dead?"

And the preacher thought for a minute and he said, "Yes, but we are also supposed to notify the next of kin."

(LAUGHTER)

MR. ARMSTRONG: Dave Bardin, who has prepared his remarks and has placed them on the table for your perusal and consideration, is New Jersey's second Commissioner of Environmental Protection. He is a native of New York. He attended Joan of Arc High School, which is Public School Number 118, which I picked out of a long list of accomplishments because he was valedictorian of his class. This, I presume was a class of a girl and a boy, therefore distinguishing him at a very early age as a student and a scholar.

He has been principally an attorney with the United States Federal Power Commission for 11 years. During that time he served in numerous capacities but I think significantly, he was recognized by the United States Civil Service Commission for an outstanding performance rating. He received special service awards for the Federal Power Commission and the Younger Federal Lawyer Award by the Federal Bar Association.

Interestingly, in 1969 he left Washington, D. C. for Jerusalem, Israel where he served as an Assistant to the Attorney General of Israel, and he lectured at the Tel Aviv University law school; and counseled the Israeli National Council for Research and Development.

He is a member of the American Bar Association, the Federal Bar Association, the Federal Power Bar Association and the Israel Chamber of Advocates. And we are happy to have him here, and he will not deliver all of his prepared remarks but he is going to make some remarks that he considers to be appropriate and somewhat short.

Dave.

PRESENTATION OF DAVID BARDIN
COMMISSIONER OF ENVIRONMENTAL PROTECTION
NEW JERSEY

MR. BARDIN: Thank you, Bob. The other member of that Joan of Arc graduating class was pretty bright also.

(LAUGHTER)

MR. BARDIN: It is an honor to address the Third Annual Conference on Coastal Zone Management by NOAA in this delightful setting so capably protected by our co-hosts, the California Coastal Zone Conservation Commission.

In theory, planning precedes action, or the implementation of plans. In New Jersey, the reality is more complex. The planning and implementation process is not a smooth continuum. It is rather a dynamic and didactic process with both planning and action taking place simultaneously, at the explicit direction of the state legislature.

New Jersey is presently completing the first year of a three-year effort to develop a management plan under the Federal coastal zone program. Thus while our planning now has both state and Federal support, our present action program -- the regulation of land development in the coastal area by a permit application process - rests upon state legislation.

Before I report on the results of this simultaneous planning and regulation approach, let me first paint a brief portrait of New Jersey and its coastal zone and outline the institutional context of coastal zone management in this state.

New Jersey is the most densely populated and highly urbanized state in the nation. Its more than seven million residents live at an average density of almost 1000 people per square mile. Suburban sprawl is rampant and our central cities struggle for survival. Low and moderate income families need more than 500,000 dwelling units. New Jersey is also a heavily industrialized state. Our largest industry is chemical and petrochemical production. This single state has five major petroleum refineries, yet

the state experiences severe energy shortages. And as a heavily industrialized state, New Jersey currently suffers higher than average unemployment.

This small state, measuring approximately 176 miles at its longest points and 32 miles wide at its narrowest points, lies at the heart of the great eastern megalopolis that stretches from Boston to Richmond, Virginia. An extensive transportation network provides excellent accessibility. Many New Jerseyans work in either New York or Philadelphia making this a commuter's state that lacks its own identity. Ben Franklin's remark is still accurate: "New Jersey is like a barrel tapped at both ends." This vital corridor role of the state also leads to a common adverse image held by travelers on the New Jersey Turnpike or passing through the Newark International Airport.

But let me dispel that image and suggest that the State's nickname, the "Garden State" is not totally false. Most travelers do not see the unique pine forests, the cranberry bogs, the vast truck farms, or the peach and apple orchards of southern New Jersey. They miss the dairy farms of its Appalachian foothills. Few Penn Central passengers would guess that the State has over 800 lakes and ponds and splendid trout fishing streams. In fact, farms and forests cover almost two-thirds of the land area of this most urbanized state.

New Jersey's 127 miles of coastline on the Atlantic Ocean are almost entirely fine sandy beaches. These slender strips of barrier beach lie off the mainland forming almost one continuous \$1.3 billion per year resort as well as an extensive system of bays and wetlands. Recreation-based tourism is our second largest industry, much of it tied to the shores and bays. Fish and shellfish abound in these waters. In fact, New Jersey is almost an island, bounded on three sides by the Hudson estuary, the Atlantic Ocean, the Delaware Bay, and the Delaware River.

The Department of Environmental Protection has the primary responsibility for coastal zone management in New Jersey. Let me explain its formation and responsibilities.

In the late 1960s a growing national awareness of the natural environment led the state legislature to consolidate existing state agencies charged with conservation and environmental regulation. The governor appropriately chose the first national celebration of Earth Day, five years ago, to sign the legislation establishing this new single agency entrusted with protecting the state's natural resources.

The new department's environmental regulation responsibilities for air and water pollution, solid waste, water supply and radiation came from the existing state Department of Health. The traditional conservation responsibilities of the state's former Department of Conservation and Economic Development in the areas of parks, forests, fish, game shellfisheries, open space, recreation, navigation and marine services were also assigned to this new Department. Since its formation in 1970, the Department of Environmental Protection has gained new responsibilities such as noise abatement, flood plains management, pesticide control, and regulation of development in coastal wetlands. The Department also administers the state-owned lands flooded by tidal waters. In addition to its environmental regulation and conservation functions, the Department may influence the direction, pace, and extent of the state's urbanization through the leverage of a construction grant program for waste water treatment systems.

The Department of Environmental Protection thus has broad statewide responsibilities for protecting and managing some of the state's most valuable resources, its air, land and water. Coastal zone management is a synthesis of these responsibilities.

In 1970 the state legislature declared all coastal wetlands to be of state interest. A new law required anyone wanting to dredge, remove, fill, or otherwise alter or pollute the wetlands to first obtain a permit from the Department of Environmental Protection. While this far-sighted act did, for example, halt lagoon residential development, it did not protect the uplands adjacent to the wetlands from environmentally unintelligent land development. Furthermore, in June 1971 our neighbor state across the Delaware estuary, the State of Delaware, passed its pioneering Coastal Zone Act, which prohibited new industrial development along the state's entire coastline. This action shifted planning for several major industrial projects to New Jersey and increased the development pressure on our coastal zone.

Two years later the New Jersey legislature, with the partial impetus of the Delaware legislation, enacted New Jersey's Coastal Area Facility Review Act of 1973, known by its acronym CAFRA - C.A.F.R.A. Conceived as environmental legislation to protect the coastal area from the adverse impacts of certain facilities, this act did not ban anything or impose a moratorium on development. Rather, it charged the Department of Environmental Protection with immediately regulating residential land development of 25 dwelling units or more and most industrial development in a 1,300 square mile coastal region.

The zone delineated by the legislature reaches from Raritan Bay and Sandy Hook in the north along the 127 mile Atlantic coast around Cape May and up the Delaware Estuary to the Delaware Memorial Bridge. At some points this zone reaches 24 miles inland. This area includes decaying urban resort centers, pristine barrier beaches, sprawling, leap-frogging suburban subdivisions, and unique pine barrens. The zone covers approximately 15 percent of the state's land area but includes portions of one fifth of New Jersey's 567 municipalities and one quarter of its 21 counties.

In addition to this regulatory authority, the Coastal Area Facility Review Act of 1973 also required the Department of Environmental Protection to prepare a plan for the coastal area by September 1977. In theory perhaps planning should precede action, or in this case regulation of land development. The legislature decided, however, that all coastal land development could not be postponed pending preparation of the plan, nor could the prevailing pattern of land development be allowed to continue without state review. Immediate state regulation of selected types of land development in the interim four-year planning phase solved this problem.

Most of the programs and policies of the component agencies of the Department of Environmental Protection have a land use dimension. Myriad decisions of this department all affect the use of land. Let me cite but three examples: the location of landfills for solid waste disposal, the acquisition of public open space and long-range water quality planning under Section 308 of the Federal Water Pollution Control Act. New Jersey's own coastal zone management legislation, the CAFRA statute, provides a framework for this department to apply its diverse responsibilities and areas of expertise in a concentrated manner to affect the quality of the built and natural environment of 15 percent of the state. In my opinion, CAFRA is a comprehensive state land use statute, one with a limited geographic scope but which entrusts the Department of Environmental Protection with a broad responsibility to balance the diverse social, economic and environmental needs of the coastal region and the entire state, in harmony with interstate and national considerations.

In a sense the state legislature performed the first coastal planning by defining a boundary and a three-step, four-year planning process. Federal requirements for a management plan suggested similar substantive tasks and a compatible time frame. Therefore, the Department of Environmental Protection is engaged in a single planning program to satisfy both the

state and Federal coastal zone management statutes.

the CAFRA statute required the Department to prepare an environmental inventory by September 1975, devise a set of alternative long-term environmental management strategies by September 1976, and select from these alternative strategies an environmental design, or plan, by September 1977. The statute also requires that documents prepared at each step be presented to the Governor and the Legislature.

Last year the Department received a Federal coastal zone management program development grant, increased its planning staff, and organized the Federally funded coastal zone management project. This staff has concentrated on assembling an environmental inventory to meet the statutory requirement of state coastal zone management legislation and form an extensive data base for the preparation of a coastal zone management plan. While the planning process is underway, the Department's on-going responsibility to regulate land Development in the coastal area is, however, a daily reminder of the reality of the pressures facing the state's coastal zone. Coherent action compels accelerating New Jersey's planning to meet this challenge.

New Jersey is already translating planning into action by carrying out the land development regulation responsibilities of both the Wetlands Act and the CAFRA statute, in an ad hoc, incremental and interim, yet decisive manner.

For example, prior to the Wetlands Act an annual average of 3,800 acres of coastal wetlands were destroyed in the 1950s and 1960s. Once this law took effect only 35 acres were destroyed in 1973 and 105 acres in 1974. In the 29 months of this permit program the Department has received 100 permit applications, and decided upon 64 cases, with only two outright denials.

Some applicants have also dramatically redesigned or reconsidered projects in order to conserve wetlands. One developer originally proposed dredging 12 acres of wetlands to develop a marina. After discussions with the Depart-

ment, he scaled down his project to require only 2 acres of wetlands while accommodating two-thirds of the original number of berths. And one of the better wetlands environmental impact statements was prepared by a college senior majoring in biology.

Under CAFRA any person proposing to build a facility in the coastal area must first obtain a permit from the Department of Environmental Protection. The act's definition of facility includes almost any industrial process, as well as electric generating plants, sanitary landfills, waste treatment plants, road, airport, and highway construction, and projects of 25 or more dwelling units. This statutory definition does not expressly refer to every building type of clear statewide concern, such as regional shopping centers. We intend to use administrative rule-making authority to clarify the reach of the statute.

In CAFRA's first 20 months, the Department has received 104 applications for CAFRA permits. Seven were subsequently withdrawn. Two-thirds of the CAFRA applications have been for residential projects, predominantly single-family residential subdivisions, although applications have been received for townhouses, luxury high-rise apartments, garden apartments, and moderate income housing, as well as for four retirement communities, three campgrounds, three motels, and a high-rise hotel in Atlantic City. The Department has also received applications for 24 sewerage plants or systems, four small industrial projects, and two nuclear power plants.

The most active area of the coastal zone in terms of permit applications has been the sprawling suburb of Dover Township in Ocean County, one of the fastest growing counties in the nation in the 1960s. The present recession in the construction industry has kept the level of permit applications to manageable proportions while the permit staff has learned its trade.

The CAFRA permit application process provides for state-level review of selected land use decisions that affect the coastal zone, but on a case-by-

case, reactive basis. The Department does not have general authority to engage in land development. If a project has obtained the requisite municipal and county land use approvals, the CAFRA process may lead to a state override of a local decision. The statute does not provide for converse; CAFRA does not make the Department of Environmental Protection responsible for overriding a local denial.

Applicants submit appropriate information, including an environmental impact statement, to the Department of Environmental Protection which reviews the submission, typically finds it to be inadequate and so informs the applicant within 30 days. A public hearing is scheduled within 60 days of the declaration that the amended application is complete. After staff analyses and review of the application by other interested state agencies, the agency within the Department of Environmental Protection responsible for the permit program prepares a draft decision which is released to the applicant and the public before the hearing. The non-adversary ("legislative-type") hearing takes place in the coastal area, not in Trenton. The Commissioner then has 90 days in which to render a decision to approve, approve with pre-conditions or conditions, or deny a permit application. The Act requires the Commissioner to make certain specified environmental findings, but also provides general authority to base a decision on general grounds such as "to promote the public health, safety, and welfare," and "to preserve, protect, and enhance the natural environment." The act does not further specify standards for these required findings.

In the first 20 months of the permit program, 48 applications have been decided, with only one outright denial. Seventeen applications have, however been approved subject to the satisfaction of various pre-conditions. Moreover, most permits have been conditional. The key issues addressed in these decisions reflect the more traditional environmental perspective of an organization evolving into a state land use agency: open space, water supply,

sewage capacity, soil erosion and tree preservation.

The application processing performance of the Department has also been improving steadily as this environmental organization has become more proficient in land use issues. The system of draft decisions forces a discipline of expeditious processing upon the staff and enables the Department to issue decisions relatively promptly after public hearings. We recognize that builders legitimately seek timely land use decisions from regulatory authorities.

The Department of Environmental Protection usually releases CAFRA permit decisions with a descriptive report, but in a dozen cases to date I have issued a formal comprehensive opinion with the permit decision. To detail one case, Opinion No. 1 concerned a ten-story, 220-unit luxury condominium apartment complex proposed near the downtown of Toms River, Ocean County, a low-density, tree-lined county seat and former colonial port at the center of a suburbanizing township with a population of 50,000. In July 1974 I denied this application on four cumulative grounds: inconsistency with the character of its immediate area, traffic congestion around the site, degraded ambient air quality, and the contemplated razing of an historic building.

The applicant then appealed the denial to the Coastal Area Review Board established by the CAFRA statute. This administrative appeals body has three voting members, myself and the commissioners of two other departments of state government, the Department of Labor and Industry and the Department of Community Affairs. In January 1975, the Coastal Area Review Board unanimously upheld the denial and found that to allow the proposed high-rise structure would compromise the long-range planning underway for the entire coastal zone. The Board recognized the need for planning to precede development, but also urged the Department "to prepare interim planning objectives and criteria no later than June 30, 1975," or 27 months

earlier than the CAFRA timetable. This first permit denial thus made simultaneous short and long term planning imperative, just as the CAFRA statute mandated a simultaneous planning and regulation approach to coastal zone management.

To bridge the planning and implementation tasks in the short-term and comply with the Board's request, the Department of Environmental Protection expects to prepare interim land use and density guidelines. These guidelines will constitute an interim environmental strategy and serve three objectives: first, guide the comprehensive planning process; second, promote consistency in the Department's processing of permit applications, and third, provide applicants with advance information on the basis for permit decisions. We hope this interim environmental management strategy will be completed by the end of 1975. It will then be applied and tested through the on-going CAFRA permit program, again blending planning and action.

As can be expected, the permit program has stimulated some litigation. The applicant in the Toms River case has appealed these administrative denials to the state courts, but is also considering redesigning the project. Another potential applicant has challenged the Department's interpretation of the scope of the impact statement requirements for residential projects.

Participation means a sharing of authority and influence in decision-making. It is a vague concept that can easily be misinterpreted, as there exist many possible levels of participation, ranging, for example, from complete citizen control to devious manipulation of citizens. I contend that the quality of planning for coastal zone management depends upon the quality and level of participation by the public in the decision-making that directly affects their lives. The Department of Environmental Protection has therefore embarked upon a three-pronged effort at significant public involvement in coastal decision-making.

First, we have begun a unique experiment with the American Arbitration

Association to test that institution's thesis that achieving a widespread consensus on the validity of the data and assumptions employed at the beginning of the planning process will reduce or eliminate confusion and disputes over the outcome of that process. This innovative role of the American Arbitration Association in New Jersey's coastal zone management program is wholly financed by the Rockefeller Foundation, not by state or Federal funds. Mr. Donald Strauss, President of the Research Institute of the American Arbitration Association is at this conference and will discuss this technique at the Friday morning session.

Second, a state-wide Private Organization Advisory Conference, composed of representatives of over 50 interest groups, has been established and met twice in the last four months to consider program goals and objectives, discuss areas of particular concern, and validate data in the environmental inventory. Local workshops will begin shortly to involve residents of specific segments of the coastal zone in these deliberations.

Third, I meet informally with various groups for consultation that is vital for realistic planning and effective coastal zone management. These groups have included builders of low-cost and high-cost housing, planners, various state officials and others. Together we explore questions of basic philosophy, such as the applicability of the transfer of development rights concept to coastal zone management, the marketability of clustering, and dedication of open space to municipalities.

One department of state government obviously cannot presume to plan independently a state's entire coastal zone. To assist the Department of Environmental Protection in its planning I appointed a CAFRA Task Force of representatives of all the relevant agencies of state government, including the state's pioneering Hackensack Meadowlands Development Commission. A Public Agency Advisory Conference has also been established. This vehicle for interagency coordination includes representatives of Federal, interstate,

state, regional, county and municipal agencies. The Department of Environmental Protection also maintains direct contact with approximately 30 public agencies with responsibilities, data and plans relevant for coastal zone management.

Our most significant effort at intergovernmental relations involves the two departments of state government that are joined to my own for coastal zone management matters by membership on the appellate Coastal Area Review Board, specifically the Department of Community Affairs and the Department of Labor and Industry. These agencies are broadly concerned with the state's economic development and the human, physical and institutional resources of its communities. These agencies join in the on-going review of CAFRA permit applications. They provide able counsel in the planning process. They help balance the perspectives of my own Department. These two agencies may also act as sub-contractors to the coastal zone management program to investigate the feasibility of a computer-based information system and to inventory and analyze socio-economic factors essential for coastal planning.

We work together because we share a common concern for the state's diverse resources and problems, and because the stroke of legislative action bound us together. There is a shared excitement among agencies of state government in New Jersey in the potential of the combined CAFRA and coastal zone management. CAFRA is indeed evolving rapidly into a balanced, coordinated and comprehensive state program for land use and environmental resource planning.

Proponents of a multitude of energy and energy-related facilities covet locations in New Jersey's coastal zone.

For example, several nuclear power plants are operating or planned for this coastal zone. The "Nuclear Center Site Survey" by the United States Nuclear Regulatory Agency has selected two of New Jersey's coastal counties as surrogate sites for examining the feasibility and practicality of building

mammoth nuclear energy centers, sites with from 10 to 40 reactors with 1200 megawatts each.

The first Atlantic Outer Continental Shelf area scheduled for exploration and possible oil production is also expected in the Baltimore Canyon Trough, with prime prospects identified off our shores.

The Delaware estuary is already the largest oil refining center on the east coast, with seven refineries in three states. Due to its natural depth, the lower Delaware Bay is the most sought after site for a deepwater port in the mid-Atlantic region. The region's established petroleum transmission system and central location in the densely populated northeast also portend significant energy facility development.

It is not surprising that the national controversy over OCS energy development and energy facility siting is a major issue in New Jersey. To facilitate coastal planning for energy facilities I intend to issue a call to industry and Federal, state and local agencies to propose areas along the New Jersey coast which should be planned for power plants, pipeline crossings, refineries, LNG terminals, OCS staging areas, and other energy facilities.

The Congressional Office of Technology Assessment and the Bureau of Land Management in the United States Department of the Interior are also analyzing the onshore impact of offshore energy technologies.

A preliminary draft of this call is attached, and I welcome your comments. This information is essential to rationally manage our coastal resources and meet our legitimate future energy needs.

Let me conclude by sharing some insights we have gained on coastal zone management in New Jersey.

First, the internal organization and professional capacity of a state's coastal zone agency require early and close executive attention. A diverse and multi-disciplinary staff is needed to plan and implement coastal zone

management. If necessary, work closely with civil service commissions to revise public employment practices that may frustrate recruitment of the needed professionals. Integrate planning and regulation staffs. It may also be appropriate to supplement the staff capabilities by turning to outside specialized consultants.

Second, a complex, new agencywide program such as coastal zone management requires the personal attention of the agency's chief executive officer. By providing a common mission the coastal zone management program has had the unanticipated effect of bringing closer together the disparate elements of the Department of Environmental Protection as well as several departments of state government. In fact, we are learning that we already possess inhouse an abundance of knowledge and information on coastal zone problems.

Third, CAFRA now lacks a visible and vocal constituency perhaps because its focus is both general and essentially statewide, unlike more narrow functional programs such as air pollution control. We must intensify our efforts to involve people in the coastal zone management process. For example, we must search out and stimulate knowledgeable coastal residents and workers to help provide important pieces of the mosaic of information needed to plan wisely.

Fourth, we must begin to work closely with local officials. At the same time we must address the "big picture," take stock of the full sweep of the coastal zone and anticipate the inevitable differences of opinion that will occur between local and state interests as the Department of Environmental Protection asserts its plan for the coastal zone.

Fifth, we must accelerate our present planning effort to achieve coherent implementation and control the cumulative impact of incremental permit decisions.

MR. ARMSTRONG: Thank you, Dave. It is now close to 12 minutes until the hour and I would like to encourage you to be back no later than five

after when we will start again and then we will have time for questions of all five of our speakers.

(SHORT RECESS)

MR. ARMSTRONG: The subtitles of the speeches which you have seen in the program obviously are not being followed. We have heard one on, I believe, "The Locals Have It," and one on "Divide and Conquer." They were done by David Bardin. Bardin is going to get a shot at putting the pieces together and who knows, maybe it will be the title of his talk.

Ron Poitras is from Caribou, Maine, as far as his birthplace is concerned. He graduated from the University of Maine with a degree in management and engineering. He went to graduate school and got his Master of Arts in community planning in 1970. For the past five years he has been with the Maine State Planning Office.

My notes show that he initiated the original coastal zone management proposal in 1970 which shows that Maine is really on top of it, because I didn't know the act passed until 1972, but perhaps he can explain that and his work there.

He is now the Director and we are delighted to have him, for his assigned topic: "Putting the Pieces Together."

PRESENTATION OF RONALD POITRAS
DIRECTOR, COASTAL PLANNING GROUP
STATE OF MAINE

MR. POITRAS: Thank you, Bob.

"Putting the Pieces Together," for a title might be more appropriate if we added the word "almost," because we still haven't finished what we started out to do.

Let me, like the previous speaker, give you a few statistics, a few numbers about the State of Maine and the Maine coast and get some sort of perspective of what we are talking about in Maine.

The State of Maine is a little bit over 40,000 square miles in size; 90 percent of the state is forested; the Maine coast and the Maine coastal zone is approximately 11 percent of the total state. It has a little bit over half of the total population of the state, the population of the state being one million people.

The Maine coast is about 4,058 miles long if you measure every indentation and protrusion. As the crow flies it is about 280 miles. Maine is really small towns. 95 percent of the organized townships in Maine are under 5,000 in population; 90 percent are under 2,500 in population.

The density of the Maine coast, which is probably the most densely populated part of the state, is about 100 persons per square mile. The mid-coastal segment which we are submitted for approval under the Federal Coastal Zone Management Act, includes about 65 percent of the Maine coast and 29 percent of its population.

Our application for program approval is based on existing legislation. The coastal zone management program in Maine is an attempt to strengthen and improve the way in which this legislation works. Maine's strong environmental legislation which was passed in 1970 in response to increasing pressures for development, oil being the most conspicuous, include four major pieces of legislation that we were working with.

The first is the Site Location Law. The site location law regulates any facility or activity proposed which covers an area larger than 20 acres or 60,000 square feet.

The second law, Shoreline Zoning, requires all local communities in Maine to come up with a shoreline zoning ordinance and plan to accompany that ordinance for its shoreline. The shoreline as defined in this act is the first 250 feet from knee-high water.

The third act is the Wetlands Control and Protection Law. That law, similar to many other wetland control laws in other states, sets up a permit

system. A permit is required for any alteration to the wetlands.

The fourth law, which is our most recent law in Maine that we are using as part of the coastal zone management program, is the Critical Areas Registry Law. That provides the mechanism for the state to identify areas of significant natural importance and to see that these areas are identified as being in the state's interest.

Maine, as you may know, is a poor state, and although we have had good legislative intent as far as environmental legislation, it has not really been backed by adequate funds and personnel to do a good job.

For example, take shoreline zoning; despite a year's postponement of the deadline for local governments to prepare a shoreline zoning ordinance, at this point just over 60 percent of the communities in Maine have complied with the law by enacting a shorelines zoning ordinance.

The legislature last year appropriated \$15,000 for the administration of this law. That includes one person who not only provides technical assistance to 495 towns to assist them in preparing shoreline ordinances, but he also assists in reviewing those which have been prepared to see that they are consistent with state guidelines.

Despite the worst economic crunch in Maine in the last year and a half, we have seen a 55 percent increase in the number of site location law applications. Site location law applications, as I mentioned a few minutes ago, concern major facility, major residential industrial and commercial subdivisions.

Yet, the Department of Environmental Protection (DEP) which administers the site location law, its budget has in no way kept pace with the growth in the number of applications. Thus the need for coastal zone management in Maine is great indeed. We need to strengthen and improve our existing process in environmental regulations. We see the Coastal Zone Management Act as a way for us to do it.

In addition to the financial and personnel shortages, two other major problems were identified as being of critical importance in the coastal zone management program. The first was the lack of natural resource information that would assist other people who are regulating and enforcing the state's environmental laws and give them assistance on what the tolerance of various resources are and this kind of thing.

That natural resource inventory process is what we have been focusing a good deal of our effort on in the past year. We have also spent a good deal of time in attempting to come up with some statements of goals and objectives from local people which can assist in guiding land use activities.

As part of the proposed implementation of the coastal zone management program several measures have been taken. Although major government reorganization efforts were undertaken two years ago in Maine, there is still a need for coordination mechanisms to pull together state policies and actions as they affect the coastal zone.

Therefore, as part of our program application and part of the coastal zone management program we have established a cabinet committee which assists in coordinating state agency policies that affect the coast.

We have also felt as a part of our program development efforts -- and this is a reaction that we have gotten from local areas -- that Augusta was too remote from local communities, and the people resented having to go to Augusta every time they wanted to get a permit to do something.

Therefore, as part of our program we proposed to decentralize some of the Department of Environmental Protection's permit granting and permit regulatory activities, using the regional planning commissions as a framework.

We proposed a DEP staff person in each of the coastal regions and in the mid-coast area there were four. Also, proposed technical assistance teams which would be composed of the representatives of the different Federal and state resource agencies who would meet periodically and assist towns

in preparing local plans and in preparing ordinances.

We also made available a public enforcement fund, funds which would be available to the towns to hire public enforcement people to assist them in enforcing shoreline zoning ordinances.

The fourth major item in our program was legal advice and legal assistance, in which we proposed to have two lawyers who would work with local towns, assist them in drafting ordinances and also assist in prosecution of these ordinances.

The role of the regional planning commission was to serve as a balance between state and local interests. Also it simplifies state regulatory procedures and makes them more accessible by having a Department of Environmental Protection staff person in each region who would also assist in coordinating permits that affected that region.

We also hoped by having this regional center it would serve as a location for the formulation of regional policies and guidelines for water uses in the Maine coastal zone.

Some of you may have read that we have run up against major objections at public hearings. A lot of these objections we feel are frustration and cynicism toward government in general, not necessarily towards the specifics of our coastal zone management program.

The impact of other state and government efforts has in many cases weakened our position with local governments. The most notable of this case is the Education Subsidy Funding Act which was passed last year in Maine. The state picks up 50 percent of the tab for funding education in the state and sets up a uniform tax assesment procedure.

Coastal towns were hurt most by this law. Some coastal towns experienced a 20 to 30 percent rise in property taxes as a result of this law.

Also, as we reached the final stages of our program development in Maine, a new Governor was elected on a platform of fiscal responsibility for reducing the cost of state government. Four major concerns were expressed by the governor and the local people who appeared and participated in the program.

First was the resentment against a regional level of government; "regional bureaucrats" they were called. Why set up another level of government in between state and local governments? Why can't we deal directly with the state?

The second major point of contention of the Governor particularly, has been the hidden liabilities in Federal funding. His experience has been that Federal funds are used to initiate projects the cost of which the state in two or three years is then responsible for paying.

There is a long-term commitment that doesn't exist as far as a continuation of Federal funding is concerned.

The third was the potential of the coastal zone management program for increasing and extending state government.

And fourth was perceived to be further encroachment on self-government and local control over land use planning and regulation.

In response to these comments we have very recently prepared for the Governor's consideration a local grant program which would bypass the regional planning commission and provide funds directly for local units of the government. These funds could be used for planning for shoreline zoning and for code enforcement. Local governments could then choose to hire regional consultants or regional planning commissions or some local person to perform these tasks, provided that they met certain state guidelines which we would prepare.

We feel that this alternative approach which the Governor is now

reviewing, is a way of strengthening the management capabilities of local governments. We also feel it could strengthen the regional planning organizations in the state by making them competitive in providing services to local units of government.

We also hope that in addition to this local grants program, we would be able to retain other aspects of the program that strengthen and improve those laws and those institutions which act to express the state's interest.

The program, as I said earlier, is now in a holding pattern. The Governor is reviewing these alternatives, and it is likely, based on the feedback that we have gotten, that there will be a two-month postponement of our final application to NOAA for program approval.

We can, during those two months, try and revise the program so that it meets some of the local objectives and is more responsive to local governments in the development of local management capabilities, while at the same time maintaining those aspects of the program which reflect the state's interests.

My feeling that we are seeing just the tip of an iceberg. Cries for local economy control will become louder.

Yesterday somebody said it is the year of the states; in Maine it has been the year of the locust.

We have seen in Maine the formation of the Freedom Fighters. It is a group of local selectmen who are organized to put a stop to increasing state and Federal encroachment on local affairs. I think this kind of organization at the local level is in response to the kind of attitude that many of us have had that says basically, for too long, the local governments can't do it, therefore the states should.

Given the financial assistance, there is a great deal more that local government can do. Moreover, public participation in coastal zone management for example, would be greatly facilitated if it were undertaken directly by local governments.

It is ironic that as we are about to honor the basic principles of this country during the Bi-centennial, it is at this time that many people have lost confidence in practically all aspects of our institutions. Today millions of Americans are cynical and alienated.

Many of us doubt the willingness and competence of citizens that participate in policy making; consequently a few of us have grown arrogant. Despite the prevailing loss of confidence, people do want to be involved in making decisions shaping the future of their community in which they live.

Even if our public participation efforts are more community-oriented, there are many difficult questions that remain to be answered. For example, how do you ask people to participate in coastal zone management without overburdening them, without asking them to attend several meetings during a month, or asking them to do work for you?

At what point in coastal zone management do you make the separation between policy matters and technical and administrative matters? How do you control the representativeness of those who participate? How do you see to it that you do have a representative group of people who are advising you?

How do you involve more than the professional citizen types who already understand what you are talking about to attend meetings and serve on advisory groups?

Can traditionally narrow Federal-state programs be broadened to include the wide range of community concerns that people are interested in talking about?

In Maine we have held over 40 public meetings and spent almost \$150,000, involved five professional people, wrote several publications, yet a recent public opinion poll that we conducted indicates that less than 10 percent of the people understand what coastal zone management is about.

The root of the problem in Maine may lie in the way that we have a tendency to separate ourselves from the work that we do. Professional detachment that's called. Professional detachment and technical expertise have a tendency to isolate people into lonely attitudes of objectivity. The notion that professional and technical expertise is value free has to go.

At present it seems to me that we are snowed under with an irrational expansion of blind data gathering. There seems to be no underlying purpose, no acknowledged set of values guiding our efforts.

Future improvements, and how we deal with our coastal areas and how successful our public participation efforts are, will take place by breaking down the barriers that exist between technical and professional people and the average citizen, by openly discussing values, what really matters to all of us individuals.

(Applause)

MR. ARMSTRONG: Ron, thank you for some good thinking. I think this is one of the benefits that we get from hearing from the states, to really see what some of the experiences have been and we tend to operate within some basic uniform guidelines. I think what we find is that each state has some very different approaches, but all of them, hopefully, are pointing toward the same goals.

I was astounded when they asked me to come to Milwaukee to hear the same kind of situations that you are in right now, and yet though we operate under the same guidelines and the same law, the differences in approach between Maine, for example, and California, or between Texas and Wisconsin,

were very interesting. At the same time I think that each area is going to have to be heard from according to its own willingness and sense of values; and perhaps that is the real purpose of this kind of presentation.

You hear what is happening there and draw parallels and also see what the differences are.

Our next speaker is a fellow politician, and lest you think we all lay it on each other, unnecessarily most of the time, let me say that I met him last night at the airport and rode in with him and he is a spirited kind of individual in person. He is from New York and we are moving down the coast, as we say in coastal zone management, in the State of New York to Long Island. Although Senator Smith was born in Western Pennsylvania, he soon recognized that New York was where he wanted to be and that's where he is.

He attended Cornell University and Cornell Law School. He was the District Attorney of Suffolk County and has been a member of the Senate of New York for ten years, so he has longevity to go with the credentials.

He is Chairman of the Standing Committee on Environmental Conservation and Recreation. He is also Chairman of the Select Committee on Interstate Cooperation. He is a practicing attorney when the legislature is not in session.

Babe Schwartz said the other day that the Texas Legislature is charged with meeting for 140 days every two years. There are many people, including many members of that body, who wish that it met for two days every 140 years. I am not sure that that is not a prevailing feeling as far as the government is concerned generally.

But we would like to welcome Senator Bernard Smith from New York.

(Applause)

SENATOR SMITH: I am pleased with this opportunity to address the annual conference on coastal zone management. This is the third conference that I have attended and I hope that the current session is as worthwhile as the previous two. Last year, however, I recall there was some problem with the length of some of these presentations so that I will seek to keep my comments to a minimum to allow for questions at the end.

In many ways, I find that my appearance at this panel is unique in that I am the only member of a legislature discussing a state program. This will give me a chance to explore a different perspective on the implementing of a coastal zone management program. As many of you have noted, there is little said in the Federal Coastal Zone Management Act of 1972 about a legislative role for the states and, by and large, in many states there has been little input from the legislatures in the development of these programs. This is a point I would like to return to a little later, since I believe that the state legislature must play a major role in the successful achievement of any coastal zone program, and I think states that ignore the need to involve the legislature early in the development of their programs are in danger of diminishing the overall success of those programs. More importantly at this time, I would like to take some issue with the overall title of this panel which is: From Planning to Action - A concept of two separate stages of activity that is perpetuated in the Federal Act and is being followed in many states. The concept of planning separate from an on-going management program is not applicable to states such as New York in which the problems of the coastal environment have reached levels that must be dealt with today - and not after a protracted study period. Particularly when one recognizes that many local communities and regional organizations have reached a level

of sophistication in planning that will allow them to begin an interim-type management program while awaiting the outcome of a comprehensive state coastal plan.

It is with these thoughts in mind that I would like to discuss the involvement of the State of New York with a coastal zone program, to explain some of the problems that have been encountered in attempting to implement such a program and to show some of the compatibility and contrasts between the program initiated by the Governor of New York under the Federal Act and the comprehensive Coastal Zone Management Act envisioned by the legislature. I would like to show how any coastal zone management program or legislation must have its foundation in the uniqueness of New York's coastal zone and in the recent legislative history of the state in dealing with land and water use problems and programs.

Coastal zone management is another step in the incremental adoption of land and water use programs in New York, albeit a major step. It has followed on the heels of pioneer programs dealing with tidal wetlands, wild and scenic rivers preservation, flood plains protection and the establishment of the Adirondack Park. All of these programs have involved state controls, either totally or on a shared basis with local communities. The Tidal Wetlands Act is the most comprehensive dealing with our coastal marine resources. It provides for the State Department of Environmental Conservation to map and control the use of any wetland and adjacent waters in a broadly-defined area of the coastline. The Wild and Scenic Rivers Act allows the state to preserve and control a large number of waterways and their shorelines throughout the state. The Flood Plains Program, which many of you are familiar with since it is adopted from Federal legislation, affects broad areas of New York, including those that suffered from the recent Hurricane Agnes and others being damaged by high water along the Great Lakes. However, the Adirondack Park legislation

is the most advanced form of land use program envisioned and undertaken by the state. It is a pioneer movement, especially because of the size of the area encompassed and the scope of state controls. Although the Adirondack program does not deal with a coastal area, I believe its operation is indicative of what can be achieved on an incremental basis and can be a model of a state-wide land use system for a large, diverse state such as New York. I do not want to imply that the Adirondack program has been without problems. We learned a great deal in the three year study phase, the fight for enactment in the legislature and the past two years of its operation.

Briefly let me outline what was done with the Adirondack Park area. The so-called park encompasses a land mass that is one and one-half times the State of Massachusetts. It includes primarily wild forest and waterways, hunting and recreation areas and mountain ranges - some of which make part of the park inaccessible. There are small communities on the fringe areas and some second homes -- located on large privately owned tracts. The legislation, which was passed after a pitched battle between environmentalists, home-rule advocates, sportsmen and regionally-oriented legislators, created a regional commission to oversee the development of the park and granted overview and override powers to that regional board. The legislation established two major classifications of land use -- one granting to the state authority over large areas which have been designated as being of state or regional interest, and a second granting to local communities control over matters that are of primarily local interest through existing local ordinances and regulations. Although there was initially some severe conflict between the regional board and the local authorities, there has been a lessening of that conflict more recently and a recognition that the involvement of the state and regional body does not mean total usurpation of local autonomy.

As I noted earlier, I believe the Adirondack program experience will be an example for the progress of a coastal zone plan for New York and perhaps can be a guide to coastal zone management programs in other states.

Let me return more specifically to the coastal zone program in New York State. Unlike the Adirondack area, which was relatively homogeneous in nature, the coastal zone of New York presents a complex, highly diversified area that at first blush appears to defy incorporation into any state-wide or unified program. The New York coastline is unique in that it consists of two distinct and major areas: one along the Atlantic Ocean and consisting of Long Island, Long Island Sound, New York City Harbor and the Hudson River to a length of 140 miles upstream; and a second coastline consisting of two Great Lakes, Niagara Falls, and the St. Lawrence Seaway. As the ecology of these coastlines varies, so does its political, social, economical and cultural nature. Being from Long Island, I can be accused perhaps of being prejudiced, but in reality, the awareness, planning and management of the coastal resources in the Long Island area is of a highly sophisticated nature. New York City Harbor has been the subject of intense work both by city agencies, the state and regional authorities. The same can be said of some of the major urban areas of upstate New York, such as Buffalo, Rochester and Niagara Falls. However, there are many communities along the Great Lakes and along the long expanse of the Hudson River which lack such sophistication, even to the degree that some towns and counties lack the basic planning function and the necessary local ordinances to control in any way the use and development of the coastline. Compounding this great diversity is the growing awareness and need of the state to preserve and utilize parts of the coastline, both in terms of existing needs and goals and in terms of the demands of future generations. The state - and through it some regional bodies - have acted already in such important areas as energy use, recreational

use, fisheries management and navigation. An example is the New York State Power Authority, which was granted by the legislature a few years ago the ability to designate certain areas as sites for power plant development and to override local, regional and state controls in establishing those sites.

As you can note, New York State, like many other states, has been concerned with and involved with its coastal resources. It was with this background and conditions that New York initially began activities under the Federal Coastal Zone Act of 1972.

A month after enactment of that law, the then Governor of New York State, Nelson Rockefeller, ordered the State Office of Planning Services - OPS - to begin preliminary work on an application for funds. The Governor, as the 1972 Act allowed, designated OPS as the state agency for coastal zone management. OPS did some preliminary work on that project, but because of the encumbering of funds by former President Nixon, work on the project was put off for over a year. Within the legislature, however, there was no putting off of interest. Although, as I noted previously, there is no direct legislative function in the Federal Act, many of us had been actively involved in this area of concern. As Chairman of the New York Senate Committee on conservation and recreation, and as a citizen whose own home is located within the coastal zone, I had been involved with these issues for many years.

The fact that Congress did not include the legislature within the 1972 Act only underscored for me, the continuing failure on the part of the Federal government to recognize and respond to the growing role of state legislatures in dealing with the problems of their citizens. Congress failed to recognize that the people more and more are looking to their state legislatures as the forum for solving the nation's ills as the congress and the Federal bureaucracy have proved inadequate to meet these needs. People have found that their voices are heard in the state chambers and it is becoming

more evident that the houses of the legislatures are asserting themselves as the forum for action. And, in terms of coastal zone management, it is in the state legislatures that the success or failure of genuine, beneficial programs will be enacted - programs that will actually work to save our coastal environment and provide for the proper, balanced development of those resources.

In January of 1973, a few months after passage of the 1972 Act, the New York legislature in cooperation with the State University Sea Grant, conducted a special program on the coastal zone bill, its implications and impact. From this program was to emerge the initial legislative action seeking to set up a state program under CZM. The legislature did not act on that proposal during the 1973 session. However, several committees began to pursue additional information and involvement. One of these was my committee which soon after the end of session in the Spring of 1973, began an intensive research effort into the merits of coastal zone management, its application in other states and its possible adoption in New York. We studied the pioneer efforts in California that resulted from the elective referendum. We studied the efforts of several states in New England, including the advance work of Maine. We looked into the efforts in Florida, Texas, Washington, and Oregon. From these studies we gleaned a great deal of data --- and in many cases --- direction. They gave us the foundation on which to build a viable program in New York. We initiated a broad spectrum of meetings, conversations and seminars on the need and implementation of such a program in New York. We brought together the executive and legislative branches, the academic and lay communities, and others on all three levels of government -- local, county and state. There were many views and many strong opinions, often reflecting the interest and environment from which individuals or groups came. The conflict of opinion and the

dialogue was both stimulating and expanding. As a result of this effort, early in 1974 I introduced a bill before the legislature designed to establish a comprehensive, coastal zone management program for the state. This bill, although the result of intensive work, was only planned as a "study bill" --- one that was not expected to gain passage in that session, but one on which further discussion, analysis and comment could be obtained --- one that could lead to the amount of public exposure and involvement necessary to gain both the proper perspective and the necessary education to make a program fully operative.

The bill, as any of you who have had occasion to read it know -- was a detailed, involved program encompassing over 100 pages. It set out a new structure for dealing with the coastal zone, including a new state commission, six newly created regional governing bodies and the local authorities. It designated an expansive coastal zone planning area and a broad coastal zone management area. It established an intricate, complex classification of uses --- setting out authority for the different classes on the state, regional or local level. It created a new, unified land use permit system that would involve all three levels of government. It gave the regional and the state bodies both overview and override power over local decisions and reserved for the regional and state bodies authority to deal with certain uses and development that were designated as regional or state-wide importance.

There was one major section of the proposed legislation that distinguished it from its predecessor and other proposals in the legislature and from the program being developed by the rejuvenated office of planning services. The latter had reinitiated its interest and involvement in the coastal zone program when funds were finally freed in late 1973.

The factor that distinguished the so-called Smith bill was the major section that provided for an immediate, on-going management -- or implementation -- phase to begin with enactment of the law. This management phase was to

coincide with, and complement, the three year planning phase suggested under the 1972 Act. In many ways, this was contrary to the belief of the framer of the Federal legislation and of the early thinking of NOAA. It is also contrary to the thinking of many planners, including many involved in coping with the coastal zone, who see planning as a distinguished phase separate from any management program. I think it is unfortunate that the Federal Act seemed to give support to this concept. I am glad to see, however, that NOAA has moved somewhat away from that position, although not entirely. I am glad to see that in New York we have moved away from that view. I do not mean to imply that there has been agreement in New York on the combined planning - management approach. Many agency people, many academicians, many involved planners still argue for a separation by time and effort of the planning and management functions. Unfortunately, many of these beliefs are predicated on the desire to obtain as many Federal funds for as long a period as possible and not, more importantly, on resolving the difficulties of the coastal zone. By saying this, I do not mean to diminish the belief of those, particularly planners, who genuinely hold to the philosophy that planning is a separate function. However, I do believe that philosophy has had its day and that we are seeing the emergency of planning as an action tool which is an on-going process that extends from the study through the management phase.

As many of you can imagine, it was the onset of the management program that engendered immediately the vocal and strong reaction from the press, local governments and interest groups and many regional and state organizations. The headlines in newspapers, many of which carried misinformation or misleading information, ran the gamut from "local autonomy being usurped" to "CZAR Smith in state land grab." The reaction was also strong from some members of the legislature, especially those who, in an election year, faced

challenges in coastal districts and were appalled at the added burden of a state land use program. As a matter of fact, one member of my committee angrily resigned from that committee in order to divest himself of any connection with the program. A large number of town, village, city and county governments immediately came out against the proposal and/or passed resolutions opposing it. Unfortunately, almost all of these initial resolutions were based on newspaper accounts and had no basis in the actual legislation. Reaction was also swift from a variety of special, separate study commissions which had been set up to study regions of the state similar to the Adirondack Park. Most of these commissions dealt exclusively or in part with the coastal zone. The reaction in these instances were motivated by pride in their own organizational structure and self-interest in perpetuating that structure. The special commissions immediately in public and private, questioned whether a coastal zone program of such scope would not eliminate the need for their operation and thus eliminate a future for them. As most of you are aware, unfortunately, the first, primary goal of most temporary commissions is to establish a basis for their own self perpetuity. This was --- and continues to be --- a problem in advancing coastal zone management in New York State. Finally, many civic groups expressed concern over the proposal, but surprisingly the reaction from these organizations was more on a wait-and-see basis --- a stand I might add which allowed for an easier shift later on to a position of support for a coastal zone program, albeit not necessarily the original Smith bill.

Despite the generally negative reaction, I and my staff set out on a course of action designed to provide the broadest dissemination of information on the proposed program and to obtain as much of a feedback as possible from citizens and interested governments and organizations. It was our goal, in the tradition of the legislature, to provide a forum for exchange of views

and input of additional information. I recognized we had a controversial, unpopular and rigid bill that we were putting before the public. I believed in many of the concepts and ideas formulated in it and I believed that it went a long way to laying out the direction and type of program that New York will eventually have to have. However, nothing in the bill was written in stone. I had no pride of authorship. Each concept or detail would be defended in the face of challenge, but no farther than other ideas or suggestions carried more merit. I envisioned that this process would take about a year -- at least one vision about this bill that was correct.

In order to achieve this dialogue my staff mailed out over 700 copies of the bill --- one going to the political and planning leadership of each town, village, city and county within the proposed coastal zone, as well as to all regional planning groups or any regional governmental unit, and to any or all public interest groups or individuals who either expressed an interest or could be located by combined resources. Separate letters were sent to these same individuals requesting that they inform us of their views. A series of public hearings was scheduled. Over 1000 notices of those hearings were mailed out --- to the total distribution cited earlier and to the media. The public hearings were conducted in all of the areas of the coastal zone (and I might add parenthetically here, the hearings, given the avalanche of notices and communication cited earlier, were very sparsely attended.) Hundreds of letters and memoranda were received over that year period. Dozens of meetings were held and I made numerous other speaking appearances throughout the state. After one year, a great deal of new information had been garnered. Valuable insight had been provided --- as well, I might add --- some definite establishment as to the political parameters beyond which such legislation could not go if it were ever to see enactment. Strangely enough, both press and public sentiment

toward a coastal zone program --- of some sort --- shifted to a favorable one. Local government leaders continue to cast a wary eye at any program that smacks of a state infringement on local prerogatives. However, within the communities, many special groups and concerned citizens saw the proposal as an avenue --- or the only avenue --- of solution to specific problems. These included residents along the Great Lakes who suddenly began experiencing severe damage due to a rise in the lake levels; fishermen, both sports and commercial, who worried about the encroachment of each other as well as foreign vessels; beach owners along the Atlantic Ocean and Long Island Sound who were forced with threats of black ooze inundating their shores either from sewage sludge dumping or the proposed oil drilling in the Outer Continental Shelf. Ironically, the area from which the least reaction was received was New York City, which, except for times such as now with its financial plight, tends to ignore state government or function like the 51st state.

What was the result of this year long experience in terms of actual legislation? The possibility of its passage? And the impact in the long run on a coastal zone program in New York?

In terms of an actual revised bill, which I have just recently filed, the impact has been major. The orientation of the program from one of strong state control with a hierarchy of newly created commissions and regional boards is discarded. In their place, extremely limited state authority is delegated to an existing state agency. Limited overview and override powers are given to existing regional planning boards --- you might recall I noted at the outset that those regional boards currently only enjoy advisory capacity with regard to local decisions.

In the revised version of the bill the comprehensive classification of uses is eliminated, as is the complex permit system that connected all three levels of government. In essence, the cumbersome management controls have

been eliminated or simplified to make them more workable and acceptable.

As you can tell, this proposal will retain the great weight of responsibility and authority for action and control of the coastal system in the local governmental structure. Presently, this responsibility and authority is only partially developed or ignored, but it is my expectation that the coastal zone management program will provide the impetus to enhance or develop the necessary processes and controls for dealing with the coastal environment.

This does not imply that the proposal is either a watered-down version or without teeth. The major concept of an on-going management program is retained. Local communities will be required to begin dealing with coastal zone management. They will be required to develop a comprehensive plan. The state will provide guidelines for designating areas as of regional or statewide interest and the regional boards will be empowered to determine these areas.

Although we are recognizing both the political reality and governmental value in providing for local dominance, it in no way will leave the development of the coastline to whimsy or to exploiting interest. The state will assume the role of pilot guiding the machinery churning the waters on the regional and local levels. Combined with the financial carrot and technical assistance, it will, hopefully, result in a comprehensive state program, implemented by local and regional authorities --- but designed to serve the needs of all of the state's people.

What are the chances of passage and what will be its impact on the New York coastal zone management program? New York, like most coastal states, actually did apply and receive monies under the initial grant program of the Federal Act. The Office of Planning Services completed that application and carried out the first year stage of the program beginning in July 1974. Since that time, however, the administration of New York changed parties and

is currently undergoing a vast --- if not beneficial --- overhaul. In doing so, the current administration has abolished the Office of Planning Services and placed the coastal zone function in the Department of State and more recently has put it back in the Department of Environmental Conservation. Although the program is not entirely idle, it is relatively unmoving and some administrative supporters of the program are concerned because of indications the new governor may decide not to carry out the program and may not apply for a second year grant --- a process that needs immediate attention and has yet to be initiated. This is so despite the inclusion by the legislature in the recently approved budget of sufficient monies for the second year of the program.

I would like to point out the obvious here. Although programs of this sort may undergo close scrutiny, alteration and compromise in the crucible of the legislative process, once passed they are not as readily susceptible to the whimsy and political manipulation of the executive branch which has been accorded that responsibility under the Federal Act. That is one reason why I see both the need and strong possibility of passage during the current session. I also expect growing support within the legislature due to the change in emphasis of the bill, the emergence of such issues as off-shore oil drilling and the increased public receptivity to such a program.

The action of the legislature in the next few weeks will determine whether those expectations are based in reality. Whether or not the coastal zone legislation is approved, I believe, will go a long way to determining the success or failure of such a program in New York State. Without legislative action I fear a well-planned and well-managed program cannot --- or will not --- be carried out. At any rate, through the mechanisms of the legislative and political processes, New York has moved a long way toward action -- action that encompasses planning and management for our coastal environment.

Thank you.

(Applause)

MR. ARMSTRONG: Thank you, Senator

As an outlander, but as an observer who is interested, let me say I am glad you did get back.

I tend to divide politicians into two categories, one who reads the mail and tries to reflect what they are thinking. When you read it definitively you find that most of them have an axe to grind, that they have been lobbied or they are looking out for their pocketbook. The other politician normally tries to appraise the situation and lead as opposed to following the mail; and I think it is pretty clear that you fall into the latter category. Hopefully we are going to have more such people occupying those positions because I think that is what we need.

Moving away from basic political philosophy, I would like to introduce Joe Bodovitz, who seems to get a lot of us in trouble. He got the Senator in trouble in Annapolis and he got me in trouble in Annapolis. I couldn't believe, during the midst of our public hearings, some of which were not quite too calm, that I had actually volunteered to be a liaison with the Federal government and I succeeded in getting the government to appoint me.

It was partially because of a statement that Joe made at Annapolis which was that the implementation of a program such as this, which is novel and neat, is about ten percent inspiration and 90 percent education. And I have found that to be true. I think the public hearing process is for our education ostensibly, but it also has a very strong function to transmit an education process out to the people about what it is we are about and what their alternatives are and that kind of thing.

Joe is that kind of thinker. He started as a newspaper reporter and he went from there in 1965 and until 1973 as Executive Director of the San Francisco Bay Conservation Development Commission.

In 1973 he became the Executive Director of the California Coastal Zone Conservation Commission. And I can testify that he is a thinker, he is a doer and he is out on the edge frequently, but as a matter of practical reality and history, people have followed him to the edge.

Joe, have at it.

PRESENTATION OF JOSEPH BODOVITZ, EXECUTIVE
DIRECTOR, CALIFORNIA COASTAL ZONE CONSERVATION COMMISSION

MR. BODOVITZ: Thank you very much, Bob.

I will refrain from goin on at great length about the California coastal program. I assume that those of you who are here from California are familiar with it, and I suspect that those of you who are from other places are by now somewhat tired of hearing about it.

But, for any of you who do want more information about it, there are copies of an annual report on the table at the back.

I was asked to discuss briefly some of the experiences that we have had in coastal zone management in California since the citizen initiative that brought the coastal commissions into existence in 1973. I would like to make very clear that these are my own observations and that I am speaking only for myself.

There are in the audience a number of members of the state and regional coastal zone commissions, and a number of members of their staffs; and I am sure we all have somewhat different perceptions of what we have been through the last couple of years.

I would like to begin where Bob Knecht began in his opening remarks Tuesday night. Those of you who were here heard him suggest that all of us

need to ponder the question of who would miss coastal zone management if the doors were closed and it disappeared. When he asked that question, there was a pause and indeed there should be. I think that is something worth thinking about deeply. My answer is that if we are not doing anything worthwhile, then nobody would miss us and we shouldn't be around.

Coastal zone management must stand for something. I think all of us are working hard, and are taking a good deal of heat from some people, because this is a public program we believe in.

I very much agree with what Senator Smith was saying and also with what Ron was saying: I don't think it should be our role in this very new program to try to decide which way the wind is blowing and then go in that direction. If there is something we believe in, then even though there are setbacks and people who don't agree with us, we should continue to work at the job of explanation and education about the important public values of coastal zone management. I am not suggesting that we ought to be fanatics or robots, but it seems to me that the program that is being developed in California and in a number of other states does stand for something.

As those of you in California well know, the ocean coastline of California is about 1,100 miles long; this is about the same distance as from Boston to Savannah. We have had to deal in our planning with everything from nuclear power plants to coastal housing to transportation to agriculture, just about every issue of land and water use in urban or rural society.

It is simply not possible, given the pressures we are under and the controversies into which we are inevitably drawn, to please everybody completely. It is very hard to talk about this without being misunderstood. I am not arguing, to repeat for capricious or arbitrary or fanatical decisions. But the California coastal commissions have had to deal in

the past two-and-a-half years with about 12,000 permit applications. The goal has been to act responsibly and to make sound decisions under the criteria set forth in the coastal initiative. There has been an effort on the part of all of us, I think, to try to resolve controversies in a sensible way. That is, if someone proposes to do something along the coast and it doesn't meet the standards of the act but there are modifications that could be made in the development to bring it within the law, then I think we have tried to suggest and work toward those modifications.

But where there is a project that is clearly contrary to what the people of the state mandated when they voted the Coastal Act, the commissions have not been afraid on those very limited occasions to say no, and to explain clearly the reasons for saying no.

There is a problem here in that you are trying to sell the idea of sound coastal zone management and you are at the same time telling somebody no, he can't build exactly where and what he wants to. It may be that the most you could hope for in that kind of situation is respect and understanding from the people who are turned down, that they will concede, even though they are unhappy with the decision, that the commission had a reason for making it, that the law is indeed sound.

But the point I am making here is that coastal zone management cannot shirk its responsibility, it can't just rubber stamp proposals, but it is very hard to say "no;" it is very hard to say "no" to people. Our commissioners and staffs in hour after hour of meetings, have heard endless controversies, threats of lawsuits if you grant a permit, threats of lawsuits if you don't grant a permit.

You get very tired. It's very fatiguing, as I think everybody in the room on commissions or staffs can agree. But the thing that needs to be kept in mind is that we must stand for something, that the quality of life

along the coast, the quality of coastal development will be better as a result of sound coastal zone management programs. It is my strong belief that this is the case.

But the measure is, unfortunately, not something as tangible as all of us would like. That is, I don't think you can point to X number of feet or Y number of square yards of coast that have been saved or protected or whatever.

It seems to me the measure is that over a period of time, in some cases, hopefully a short period of time, a change in public attitudes toward coastal resources will take place. The best example I can give of that is with regard to San Francisco Bay.

For many, many years and indeed, up until the early 1960s, people around the San Francisco Bay area proceeded to fill in the tidelands of the bay with freeways, garbage dumps, housing developments, etc. There was no one giving any thought as to what this was doing to the bay as a whole - what the total effect of these piecemeal projects would be.

In 1965 the legislature established a state commission to deal with this problem and in a relatively short period of time, less than ten years, public attitudes toward San Francisco Bay have changed 180 degrees.

There is now, as a result of this governmental action, preceded by strong citizen efforts, a considerable change in attitude as to what San Francisco Bay represents. It is no longer something to be wantonly destroyed; it is something to be protected. And there is an agency in the state that is directed to protect it.

In my view, we will not really succeed in coastal zone management until there is that kind of public attitude, until people recognize that the coastal zone of our country is a priceless resource, that if we mismanage it there is really no way to replace it.

In a historical sense, the trend of American Development has been progressively westward. Where we are meeting now, and the part of the coast that our commissions are dealing with, is as far as there is to go; this is the limit of the continental United States; this is the last part of the coast and it's ours to protect or to destroy. We in coastal management have a tremendous obligation to point out the choices, and to strive for wise long-term use and protection.

Now, there are people who unquestionably suffer from coastal regulation. Nobody should forget that fact. There are people who have bought land in good faith, people who are by no means land speculators, although God knows, there are plenty of them too. But there are people who would see an area such as Asilomar, not as a place that ought to be saved by the public, but as an investment where you could build condominiums. Certainly our past laws have not prohibited such things.

I have always hoped, incidentally, that at meetings such as this there would be a hooded panelist on the stage. He would be the mystery guest, and would be introduced as the person who has more to do with land use planning in this area than anyone else. When the hood is removed, you know who it will be, the tax assessor!

Let me make one further point: underlying what we are seeking to do in managing the coastal zone of the country, is to look at it as a limited resource. Much of the criticism that our planning draws and I suspect the planning will draw in any state if you become serious about protecting coastal areas is that someone will say it's not sound economics. You will go to hearings and people will say, think of all the jobs there can be if you cut down the bluffs and fill the marshes, think of all the taxable people who could be employed building housing in those areas. Think of all the

It also goes without saying that if housing is not built on the marshes, housing can be built other places. There is no reason to destroy the valuable coastal resources to provide places for people to live. There are plenty of places where people can live without that.

Now, finally on this point, one of the things that has been of great concern to us in California, and I suspect that this would be true in many other places, is the future of coastal agriculture. There are, along the coast of California, many places where the combination of soils and climate make specialty crops uniquely suited; the artichoke fields near here are just one example.

Because of tax policies, and because of the encroachment of urban development, these areas are greatly threatened. We have been trying to stress, and this is a new idea for many, that in a world where population is growing, it makes no economic, let alone environmental, sense to take the nation's best farmland out of production and put it to some other use. This is really depriving future generations of options with regard to that land.

And, indeed, part of the inflation we experience comes from letting prime agricultural land go for other purposes and then trying to find the water and fertilizer to cultivate poorer-quality land.

Now, all of these are big topics; not one is free of controversy. If you have three economists, you have about ten different theories of economics these days, and I wouldn't begin to think that the things I am saying are free from controversy.

But all of us need to stress that there are sound economic as well as environmental arguments for dealing responsibly with the nation's coastal zone.

Thank you very much.

MR. ARMSTRONG: I hate to say, "I told you so," but I think he's really something.

We have now reached the point in the program where you are privileged to hear what I call my chauvinist ostrich joke. It's about two lady ostriches who were off and about their business across the desert and when they looked over their shoulder and discovered that there were two male ostriches in hot pursuit that only had one thing on their minds.

And the ladies tried to outrun them and they were too slow. They tried to outbox them and the males were faster and finally they said, "I guess what we had better do is hide," so with that they ran over and they stuck their heads in the sand.

Well, you can't just stick your head in the sand and hope something nice will happen.

(Laughter)

MR. ARMSTRONG: The thread that tends to permeate most of the discussions that we have had, I think all day, and perhaps throughout the conference, and certainly as we deal with this, is that if you look at us traditionally, you will find that as a nation and as communities, we have had a tendency in terms of planning and natural resource planning in particular, to follow the ostrich theory as opposed to a very simple phrase that I continue to use, let's know where we are going.

You know, if you just know where the tradeoffs are when you make your decisions, if you just understand the economic consequences of the removal of a resource capability, particularly the coast, where it's dramatic, then I think you will furnish your decision-makers with the equipment on which to base some sound decisions as opposed to our traditional approach of politics, guess or just hoping something nice will happen.

If we do nothing more with the program than to attempt to furnish the

decision-makers with whatever rules are necessary, especially if we can know where we are going, then I think we have gone far down the road. And this is a lot easier to say simply than it is to accomplish, but I think that is one of the goals that we really have to keep in mind.

I made a deal with Bob that I wouldn't tell anybody about Texas unless I was asked. I do this happily because I think I'm perhaps some kind of genetic throwback and I'm trying to look down on the generations of Texans who have not followed that rule, but in any event, let's open the floor to questions and we will see if any of our speakers have some new thoughts or questions and what they have to say about it.

Yes, ma'am.

MS. JEFFERSON: I wish to say how impressed I was with Mr. Biggs' description of how the plan for the coast of Washington was evolved, first from the local level and was then incorporated into the state plan.

This is addressed to Mr. Bodovitz: I wonder if you would mind explaining to me why, in the case of California, the planning elements were written by the state and the local governments only asked for comments? The suggestions of our citizens advisory committees were generally ignored at the state level.

MR. BODOVITZ: The question was: why weren't the local governments given more responsibility for preparing a plan?

The California Coastal Initiative under which the Coastal Commissions operate has very tight time deadlines in it, and all of our planning work must be submitted to the governor and legislature by December of this year. The act set up a state commission and six regional commissions.

Now, whether anybody would think that this is the ideal procedure for preparing coastal plans, I don't know; but that's the procedure that the people of the state enacted when they approved Proposition 20.

It seems to me that there is no perfect procedure, but the one we used is as workable as any. In any event, that's the procedure in the law under which the commission had to operate and there was no luxury of changing it.

Half of the people on the regional commissions are city councilmen and county supervisors. In other words, locally elected officials are half the voting membership of each region. So local government people have been intimately involved in everything that has been done from the beginning.

The state commission and the regional commissions have tried to evolve policies that would be applicable all along the coast; or if there are differences among the localities to have some good reasons for those differences.

They have felt that the mandate of the coastal initiative could not be achieved by simply pasting all of the local plans together and seeing what they added up to.

There are 15 counties, and I can't recall offhand how many different cities, not to mention harbor districts and other special agencies along the coast. I think many of them have participated fully and others have done less so.

And one of the strong recommendations of the plan is that now that these general policies and general guidelines have been agreed upon, the precision of local planning needs to be achieved through further planning in cooperation with local governments where this has not already been done.

As to the last point, that the opinions of citizens advisory groups had been ignored, I would just categorically say that's not true. When you seek advice from the citizens of the state you get an enormous range of opinion. That is there are people who didn't want the coastal initiative in the first place, who want no restrictions on coastal development, and on the other hand you have people who want very tight regulations.

This relates to what I said before, everybody who has expressed an opinion, I can assure you, has been listened to, but it is simply not possible to agree with everybody, when the opinions run the whole range of possible opinion.

But I would hope that what has come out of this has proven to be a sensible plan. We have held, or are holding tonight, the 20th public hearing seeking reaction to the preliminary plan.

The regional commissions will now begin evaluating the comments made at the public hearings and will be advising the state commission on this.

Yes, sir.

MR. BRUCE BEYEART, STANDARD OIL OF CALIFORNIA: Is it not possible to ask questions of this morning's or early afternoon speakers?

MR. ARMSTRONG: Yes, if they are here. Is anybody here?

MR. BEYEART: I have a question for Mr. Cooper. It's a two-part question, and deals with areas of critical statewide environmental concern.

Since there is a state permit authority over such areas, are they selected exclusively on the basis of statewide interests or may they also be environmental areas of local concern. That is one part of the question.

The other part is, are there specific mechanisms established to assure just and prompt compensation when these areas are designated for state acquisition.

MR. COOPER: I presume everyone could hear the question reasonably well.

The answer to the first part of it is that the act sets out seven broad criteria for recognition of various critical concerns. Some of those would be statewide in character. For example, tidal wetlands is one category, and those are obviously distributed throughout the entire coast.

Other categories could be more local in character, for example, they include historic areas or a couple of categories that relate to theories

of unique biological composition, and that type of thing, things that could be recognized on a local basis.

So the answer to your question is basically that both are possible.

Now, the answer to the second part is that the act does contain mechanisms for assuring that if -- and I emphasize if -- any regulation promulgated by the commission is, in fact, ruled, "taking without compensation," then there is a mechanism to provide for that in the act, where either the commission has to back off or the individual is compensated for his property.

Now, I want to emphasize the fact that that decision, like any other decision relating to the use or relationship between the public use of property and private property rights, is ultimately going to be decided by a court of law and not by any state administrator or any individual, or any agreed individual's opinion as to what's happening.

Is that a satisfactory answer?

MR. ARMSTRONG: The point of this has been that we appreciate very much your listening to various states: Maine, New Jersey, North Carolina, California and New York, tell you about their experiences with coastal zone management. And we hope you have gotten something out of it.

Thank you.

(Applause)

MR. ARMSTRONG: Don't forget the slide show tonight. There won't be any speaker tonight; the slide show will be given instead.

(Whereupon the meeting was adjourned until
8:30 A. M. Friday, May 30, 1975)

MR. KNECHT: In the interest of leaving a fair amount of time for our speakers we will start, even though I think a fair number of our members are still finishing breakfast or something else.

In any event, welcome to the last session of our conference.

A couple of brief announcements: Lest you think that all of the national staff of coastal zone management is here at the conference this week, don't be misled. This is the biggest week we have had so far in the number of grants that we have let. This is a busy time for our office and there is a goodly number of our staff back home working on your behalf in this regard.

We announced three grant awards yeaterday and I am pleased to announce a fourth grant award for today and that is to the State of Wisconsin for a Federal grant of \$348,000.

Is Al Miller here by any chance? In any event, our congratulations to the State of Wisconsin for their second-year grant.

We plan to finish this session in plenty of time for you to pack up and check up and so on, prior to the luncheon period. So we are hoping all of you will feel it possible to stay with the session through the period this morning until that time, until we conclude.

The session this morning is devoted to public participation and obviously it is a very important topic. I heard a luncheon talk by a person who put the problem very effectively, how can we involve the public in the action and still have some action?

Because, as you open up the process and you get people involved, frequently it seems, on the surface at least, that it causes problems, slows down progress and presents lots of difficulty, but nevertheless it's urgently needed, and it is an aspect of the program that we need to give serious consideration to.

The chairman this morning of the session will be Paul Stang, who is a member of the national staff of the Office of Coastal Zone Management and is responsible for developing our technical assistance program to the states and also responsible for liaison with NOAA and other Federal elements that are involved.

PRESENTATION OF PAUL R. STANG, HEAD,
TECHNICAL SUPPORT, OFFICE OF COASTAL ZONE MANAGEMENT

MR. STANG: Thank you, Bob.

What we have planned for this morning is, hopefully, a stimulating session that will involve participation not only by the people up on the stage, but by you all sitting out there.

Let me tell you briefly what we have in mind and then we will get right to it. We have four distinguished speakers and we have prodded and cajoled them into limiting their talk to 15 minutes apiece. And what we would like to do is to hold questions until they have completed their four talks.

Since up until that point you again will, as you have often been this week, be in the position of listening and not participating, we would like to try something a little different than the normal panel discussion and what we would like to do, after the four speakers have finished, is for you to take a coffee break, but make it a working coffee break.

What I am going to do after the speakers are finished is to put a question form in each of the groups of 12 chairs. If you will notice we rearranged the room a bit, and I would like for you to go and get your coffee, but then come back and form ad hoc groups of 12 or less and spend about half an hour within the group that you just happened to fall into or with your friends, whoever you are with, to basically discuss some of the things you have heard, discuss your own ideas and write down four or five major questions that you have regarding public participation.

And then the last thing we are to do is to give you a questionnaire, another form of public participation, and we would like for you to take it home and fill it out and send it back.

Well, enough of that. I think that we ought to move right ahead. Our first speaker of the session on public involvement in coastal planning is Bert Muhly, who has a number of tasks that keep him busy during the day.

He is an Associate Professor at the Graduate School of Urban and Regional Planning at San Jose State. That is a state university. He is also a lecturer at the University of California at Santa Cruz and the President of the Association of Monterey Bay Governments. This includes Santa Cruz and Monterey Counties and 15 cities. He is a councilman and just finished up a term as Mayor of the City of Santa Cruz. His talk, most appropriately, I think, is: "Of the People, for the People."

One thing I have done in order to assure that we have got plenty of time to hear from you in the audience, I have brought a big cow bell along and at the end of 15 minutes each speaker is going to get rung.

Bert Muhly.

PRESENTATION OF HONORABLE BURT MUHLY, MAYOR
CITY OF SANTA CRUZ, CALIFORNIA

MAYOR MUHLY: Thank you very much Mr. Stang.

Paul gave me several questions that he really wanted us to address and I'm going to do that and I'm going to pick out the questions that I think the title, which Paul also gave me, "Of the people and for the people," I guess I got the title because of my involvement during the time I was Planning Director of Santa Cruz County -- I'm a professional planner for ten years. Some of you who came last night got a chance to see some of the things that motivated me to leave that scene and to get in the decision process directly, where perhaps I could use some of the insights that I

have gained in 20 years as a public planner, mostly serving as Planning Director to Tulare County, which is a county of 4,500 square miles, almost as large as some of your states back east, and Santa Cruz County, which is the second smallest county in the State of California.

In that job as a planner when you are advising the legislative body, it can get quite frustrating. And in order to get directly into the decision process, I made this big decision in 1970 and that's when I really started to learn. I thought that I really knew it all, about how local government worked, the whole area of governmental relations, but until I really got into it up in Sacramento and saw the utter chaos up there in terms of getting legislation through, responding to the people that were walking in the halls, the lobbying that was going on, I right away concluded that, "Gee, this isn't the place where you really get people involved."

At my local level I saw the people being shut out, after going through all the classic approaches of getting people involved and the goal-setting, the comprehensive plan of their community, with the usual approaches of a hundredman citizen's committee broken up into subcommittees by subject area; developing a citizens' report of what they would like to see their community to be and telling them after the plan is done, "I want you to hang in there as a watchdog to make sure that the plan is adhered to by the politicians, " and I had some successes in that.

But I had more failures when we saw that we were nothing but a red dot on the investment maps of some of the largest corporations in the world. And being in a coastal community, we were a very attractive investment, and it didn't matter, really, whether you sold the land or not along the coast, this very private area of land against the sea, all you had to do is get the planning permission from the local government for a big corporation. You could even budget a loss and if you got the planning permission at a local

level, fine. You could really make a killing by just selling it to the highest bidder with a guaranteed density and a right to form some special district to finance your development, based on your new credit basis, you have established a new town. Good deal.

But it didn't do much for us at the local level, who were trying to maintain this fantastic environment that I hope that you have been enjoying, along with me, because I never cease to enjoy it, during the past couple of days.

And as the pressures narrowed, as this city-county area of Monterey Bay became discovered by more and more people, the people up here were dealing with those things -- at least where they had been fortunate enough to escape some of the onslaught that had ruined Los Angeles. This was the place to come where you can see the bright sunshine, the blue sky and the rest and more people really want to come up and partake.

So then the coast was bought by some of the largest corporations, practically the whole coast was bought and there were plans for subdivisions to break our local plans, just through the pressure put on local government, saying, look, you need a tax base. The other levels of government really had preempted all of the other revenue sources, so many of the local plans of smaller cities in the county were geared to satisfying the demands for tax revenue rather than any environmental concerns. Policies resulted which developed all of the bay area and the same clause which zoned a whole community for commercial and industrial or high density area apartments where they could develop without children thus no schools; all of those uses which would produce revenues but not make any demands on them.

And so they affected our assessed values, our taxation, they affected the people's ability to live here -- this had been a wonderful place for people to come to retire. People who have fixed incomes and all of a sudden they find the taxes going up, not due to tax rates, but to the assessments by the land speculation.

So all of that came together and we suddenly decided in this area, particularly in my county, that we weren't winning at the local level. We had fragmentation of government up and down the state -- cities and counties, special sewer districts, court districts, the rest, each with its own separate policy and each messing around with this very fragile area where the natural system had to be respected for the simple reason that this area was called upon to serve the regional interests in the future of about seven or eight million people from the San Francisco Bay region who use this area for recreation purposes.

And some of the decisions that were being made by local government were really affecting the interests of people far beyond this local government, so we attempted for two years to get legislation that Pete Wilson talked about the other day, and he told you about the frustrations and the failures.

The people could not make their voice heard in Sacramento; the people could not make local government listen to them. The people who were running local government, and I'm not as confident as Pete that that has changed in California, where the white sheet salesmen on Maine Street and the people that were concerned about the commercial viability of the community to keep taxes down by keeping sales up, they were calling the shots on the goals and objectives of the community.

When you talked about buying a park, we couldn't afford it; when you talked about preservation of the coastal zone, that initiative was not coming from local government. So we went ahead and passed the initiative.

I think it's necessary -- with that as a preface, it took about half of my time, unfortunately -- before we can address ourselves to the question about how we can make public participation most effective, how to get the people involved, to really understand the fact that people can be manipulated and are being manipulated. We have to understand that first.

You can pull people to any cause, I think, on an issue-by-issue basis. Now that's happening now as the coastal plan is coming down -- and as long as you understand that, then you can be prepared to see the signs for what is happening, so you can take the counter-measures in order to be able to deal with the problems that will come from that.

So we can talk about people participation in the environment as we go on, but unless we understand that people aren't participating except in order to achieve a specific end, unless we understand that, then we can talk about techniques for involving somebody, but nothing productive ever will come from it because in the final analysis those who can orchestrate the decision-makers will come up with a decision that is going to serve their needs.

Okay. I think the biggest point that I want to make this morning is that I think we have to find what we mean about planning in the coastal zone. I have heard a number of people up here talking about people involvement in a process where they merely involve the setting of critical areas of concern, areas of critical concern in designing key facilities, administering NEPA and the California Environmental Quality Act, where appropriate.

But this is the basis for the Coastal Zone Management Program. Well, if you are only going to be talking about public response to site-by-site decisions and then on an issue-by-issue basis, certain techniques would be used.

But I don't think that's what we are talking about in California; we are talking about a comprehensive plan and the coastal plan is not a single purpose plan. The techniques that you would use on an issue-by-issue basis I don't think are appropriate for California.

You can't talk about people involved to implement the California plan without talking about the governmental structures that are going to be necessary in order to accommodate that public participation, and that is why I feel that it is so important to talk about this question of whether or not we can really refer everything to local government in California.

Now, I will stand by ready to answer questions in that regard after I finish here.

It's very difficult to get the public to turn on at the local level on goal-setting, and to become vitally involved in comprehensive planning, but it can be done, especially in the small community. But local governments will not give you governments that will initiate a comprehensive plan along a 1,100-mile coast.

This is going to be done at the state level and it has been done at the state level through a people's mandate. To make that plan effective we must project that people involvement in comprehensive planning to the state level, which is almost an impossibility, unless you provide the vehicle toward that participation to be effected. And I maintain, at least for our state -- I can't speak for Rhode Island -- that it can't just be done at the local level and Sacramento is too far away.

And so we are going to have to talk about some kind of sub-state area vehicle in order to do that job. The regional commissions have fulfilled that function very well during the planning process. They will have to stay around long enough for the people to provide continuing input in the planning process and also to gain relief when the plan is not carried out the way they think that it has been developed.

I don't know that I want to get too much into that area. I promised Paul that I would stay away from Proposition 20, but I find it impossible to stay from Proposition 20, since it's a description of our involvement in that whole process. In countering the special interests that tried to block it up and down the state, we gained experience in order to make the people feel that the government was more responsible, more effective.

In my city seven councilmen voted to go to Anaheim to enlist the League of California Cities' support for Proposition 20. My city voted 62 percent in support of Proposition 20, and so therefore we had to come up with the mechanism that's going to enable that kind of citizen concern to be expressed through the governmental entities at all levels.

And so I do think that what the people want is effective government. They are not going to be hung up on whether it's local government or some other form of government, regional government, but effective and responsible government.

(Applause)

MR. STANG: Thank you very much, Burt.

For those who came in late, we have had the bell system because we wanted to be sure to have lots of time to involve you in the program, experiment in public involvement.

I would like to quickly move on to our next speaker, Dr. Niels Rorholm, who is Professor of Resource Economics and Coordinator of the University of Rhode Island Sea Grant Program.

And I would like to say one more thing about Niels: I think his Sea Grant Program at the University of Rhode Island is one that has a reputation for an excellent public approach and involvement of the citizens of Rhode Island and concern for them. I think it has come our way a number of times that that's the type of program he runs there.

Niels will be talking on public participation but also public information. Part of his speech will be a summary of the program that was run yesterday with the Sea Grant Marine Advisory Service on Public Participation. That was a concurrent session yesterday morning and he has got a number of points that he will summarize as a result of that session.

So, before my bell rings I'm going to hop off and let Niels take over.
Niels.

PRESENTATION OF NIELS RORHOLM, PROFESSOR OF
RESOURCE ECONOMICS AND COORDINATOR OF THE SEA GRANT PROGRAM,
UNIVERSITY OF RHODE ISLAND

MR. RORHOLM: Thank you, Paul. I want to emphasize that my point of reference is outside the Marine Advisory Service and Coastal Zone Management. I am involved with both, but a practitioner of neither.

Second, I would emphasize that I am not talking about the short run process of planning or participation to achieve passage in a general assembly of a specific plan for the coastal zone.

What I'm talking about, and what I think most of the Marine Advisory Service people are talking about when they discuss public participation and education for natural resource management is a long-run process that ensures that the public has access points to the decision-making process and ensures that they have access to information or education about that process.

So, keep this in mind if you would, because otherwise my remarks are going to make even less sense than they might.

We can assume, I believe, that the broad purpose of the government's stimulating public involvement in natural resource or coastal zone decisions is to assure the "best possible" use of the nation's natural resources, including the environment.

It may be well to distinguish some of the ways public participation can help. One function of public involvement we may call the improvement function, on the basis that if you have a broader airing of ideas and problems and share the decision-making with more people, then you are likely to get a better plan, better uses, and better natural resource employment.

Most people who have tried this feel that an advisory committee of some sort is adequate. They don't think they get many good ideas in a public hearing. They may be right, but they often forget that many of the people at a

public hearing not because of their brains, but because they are citizens, they are voters and they want to have a voice in decisions. Frequently in our system of government, the "best" way of doing things is defined as the solution that satisfies the most people, not the solution that makes the most technical, scientific or even economic sense.

And this is a point, I believe, to keep in mind if you are talking about resource management in the public domain, and much of coastal management is in the public domain -- the area that is not subject to private property rights.

The second function of keeping the public involved I will call the "diplomatic function" because, as with good diplomacy, early recognition of an upcoming conflict frequently permits its resolution at a much lower cost than is possible if decisions are made unilaterally and then fought over afterwards.

For this function to bear fruit, it is imperative that the public involvement begin early. There is nothing more maddening than to be seriously asked for advice on matters that you know have already been decided.

The third function I call the "ombudsman function," because it serves to improve the operations of government. If, for no other reason than that it takes money and time for an agency to defend itself against citizens' suits caused by inadequate environmental impact statements, one would suppose that after a while an agency would wish to improve its functions in that respect.

One of the most valuable aspects of the Scandinavian ombudsman offices, I understand, is that the office has to make public its annual report in which are listed the number of complaints against agencies as well as their disposal. No one in the civil service wishes to be in the report too often, so public exposure is often useful.

If the above is a reasonable statement of why government does or should encourage public participation, what then are the reasons the public wants to be involved?

The order of importance of these reasons varies among individuals but some of the more significant reasons for the demand for involvement probably are the following:

(1) A lack of conviction on the part of people that the government agency in question is, in fact singlemindedly and assiduously serving the public interest.

(2) Lack of agreement on what constitutes the public interest. This disagreement can be between people and government or among people.

(3) A feeling on the part of many that they want to be involved in decision-making, that they want to have their view count for something.

(4) Specific conflict between a personal or commercial interest and the interest represented in a given proposed change. This could be either the public interest as defined and represented by government or it could be an opposing personal or commercial interest.

(5) Lack of knowledge of the specific long-range effects of the proposed change. This becomes a particularly fertile ground for long and tedious discussions in cases of environmental concern because knowledge is not firm in many of those cases.

(6) Lack of conviction that "the government," knows anything about "our" situation.

(7) I think that in the coastal zone you would have to add an additional reason. That is the fact that the shore is the interface between land on which private ownership and associated private exclusionary rights may prevail and the sea which is in the public domain, even though certain uses of it may be regulated.

This list will serve as an indication that there are many reasons for the demand on the part of the public that they be involved in natural resource management and remember, we are talking about the long run, not just the development of a so-called plan.

We should expect then, that when one of these seven factors intensifies or comes to the fore, the demand for public participation will increase. I think we have seen that happen for several of the reasons I gave you over the last few years.

Now, public participation through hearings is, of course, written into the law. The National Environmental Policy Act, for example, requires environmental impact statements. The forming of advisory committees composed of both citizens and professionals is required by other bills dealing with the use of lands or other natural resources.

In addition, most state governments and many local ones desire to or are compelled to receive the advice of committees or boards made up of citizens who are sometimes appointed because of their ability to analyze issues and frequently for other reasons.

Thus, if we were to look at the opportunity for public participation as it would appear on paper, one might conclude that all is well; yet it is hard to find any people with experience in the system who are happy with it.

It is quite true that the public has opportunities to review governmental decisions on natural resources as never before, but it takes a lot more than opportunity to review and the right to engage in litigation to achieve a feeling of participation.

I have been told by people who are more knowledgeable than I am in these matters that most environmental impact statements contain precious little information on environmental impact, that their primary function is to open up the matter to litigation, and that in this process useful information can often be developed. Eventually, then, the problem can be resolved on the basis of facts which could have been made available in the first place. Now, that kind of "hang me if you catch me" attitude is expensive and it creates conflicts. It neglects the potential value of the diplomatic function in getting information to people early so they can be usefully involved.

How is it possible, then, to achieve the optimum in public participation and how do we know when we have it? The second part of the question is easy to answer. "when the first derivative of government actions on public participation equals the ratio of cost per unit of participation to the value of per unit of action."

(LAUGHTER)

MR. RORHOLM: Now, that's a frivolous answer, because even though it's really true in an abstract sense, we don't have the data to put into the equation so therefore it doesn't get us anywhere.

The first part of the question isn't even easy to answer in the abstract. Having everyone involved in every problem is clearly impossible. And if we begin from basics and work our way up in the abstract, I suspect we would probably end up with a form of government similar to what we already have. But it's under that form of government that we are having the problems so this seems to be no solution.

But this leads me to conclude that we are probably talking about differences in degree rather than in kind, differences in the concerns of people working with the issues, differences in quality of performance. In other words, we are talking about evolutionary as opposed to revolutionary changes in ways of getting the public involved.

I have some suggestions for action that I feel would tend to make for better natural resource or coastal zone management, and also make for more fruitful relations among people and agencies.

(1) Regionalize the decision process under common Federal guidelines, but subject to very few specific Federal ties. A regional decision should very rarely have to be reviewed in Washington. This would improve local knowledge on the part of the officials and ease communications.

I guess what I am suggesting is: move the regional desks out into the regions and give them quite a bit of autonomy. Whatever we like to believe, telephone conversations and quick meetings in Washington are no match for frequent face -to-face

talking about the issues when it comes to developing mutual understanding.

(2) Arrange for daily newspapers to carry official sections where regional natural resource issues must be formally advertised in summary form, as soon as the issues arise. This could get those who are interested involved early.

(3) Bring problems to the attention of the public before solutions are formulated and seek their participation. This would make the public feel as participants and reduce resistance to change.

(4) Initiate a system of "public defenders" somewhat like that available to people for legal assistance, only in this case I am concerned with making scientific and technical information available to citizen groups.

I think one can make the case that citizen groups are "poor" with respect to the availability of information and that to reach a proper decision in cases involving the public domain and the public interest, the government owes to citizens the ability to "defend" themselves.

Government agencies can certainly bring expertise to bear; businesses most often can as well, but citizen groups frequently cannot unless they are in Washington or a university town. If government were to make funds available for retaining scientific personnel and the "freedom of information Act" ensured they had access to information that agencies had developed as well, then it would seem to me that natural resource cases could be decided on their merits instead of by imbalance of power.

Now, when questions get site-specific and when the resources are under pressure, then there will be winners and losers. I agree with what Bob Knecht said the first evening, that the issues arising in coastal management cannot always be described as a zero-sum game. But I think it is also true that on most critical issues, there are winners and losers. Eventually we may have to give more thought to compensation of the losers by the winners.

(5) And finally, stimulate an expanded public education system on use of our natural resources jointly with Sea Grant, the Office of Coastal Zone Management, universities, and the state natural resource agencies.

The important consideration here is that this be both an educational effort and a chance for people to be heard. I have really only the vaguest idea how it can be done effectively, but I am acutely aware of some of the dangers.

I think the foremost danger is that personnel involved in the effort will be identified with the issues. This can work for a while with technology transfer types of activities, such as assisting fisheries. It cannot work when the use of private property is at stake, as inevitably it is when you are dealing with decisions in the land portion of the coastal zone and as it will be if the country puts teeth into fisheries management.

And that is one reason that state or Federal coastal zone management people cannot do this educational job in the long haul. They can do it when they are talking about serving local and state governments in the planning and public information function aimed at a specific plan over the short haul. But in the long haul, they simply cannot do it. The people that do it have to be "clean," that is to say, not identified with one side or the other of an issue.

Marine Advisory Service people coming from Sea Grant institutions can do it, but it is even very difficult for them. They must constantly avoid identification with the issues because in neutrality lies their entire effectiveness. As long as people know they are there to help shed light on whatever problem comes their way, they can be tremendously helpful. Once they become identified with one side or the other of important issues they are at most another voice; at worst they are "one of the bad guys."

Now, since government people are inevitably identified with policies and regulations, they face an uphill battle in any educational effort that they can only rarely win.

You might say, well, Marine Advisory Service people are also Federal or at least governmental in the sense that the Sea Grant program is jointly sponsored by the Federal and state governments. That is true, but we take great pains at universities and sea grant institutions to see that Sea Grant and the university are mentioned in the same breath to keep the local connection with a unit that does not have regulatory functions.

As an example of an attempt to keep Marine Advisory Service clear of the issues, our Coastal Resources Center in Rhode Island was established at the request of the Governor in 1971 specifically to do research and development for the state's coastal management effort.

We support it with Sea Grant as well as with other funds, but it has an identity of its own. It can have an opinion, which a university cannot and which the Sea Grant Marine Advisory Service ought not to have. We have close cooperation but separate identities. This is also important in order to avoid having the Marine Advisory Services closely identified with conflicts between local and state governments. To sum up on this fifth point: A Sea Grant, CZM, state university partnership in public education for natural resource management has the best long-run potential for improving coastal management decisions of any action I can think of.

Furthermore, without such an effort there is the danger that many coastal zone management programs will stagnate as merely land use programs. Sea Grant and Coastal Zone Management together can go to sea!

Yesterday, there happened a very significant part of this meeting, and that was that the Marine Advisory Service people and some coastal zone management people from states and from public agencies had a chance to sit down and talk together, after having been in some very good sessions on public participation.

There were five such sessions and I went to them all and listened to them, and coming from Rhode Island where, as I told you, we do have a close relationship, it was almost unbelievable how little the two groups knew about one another.

As you might expect, this lack of knowledge did not slow anyone down in discussing agencies other than their own -- they simply substituted emotion. It was a good series of sessions and they pointed clearly to a need for increased working level discussions and more frequent contact between Marine Advisory Service and Coastal Zone Management personnel.

In very brief summary form here are some statements that were made in the discussions. They are not consensus recommendations. Remember, the statements are made in the context of defining a good cooperative relationship between OCZM and MAS for achieving more fruitful public participation in coastal management.

(1) Marine Advisory Service should not help with informational requests other than to bring the parties together;

(2) Marine Advisory Service should guide university research efforts toward information needed;

(3) Marine Advisory Service must not become an advocate of certain legislation;

(4) MAS can serve to increase awareness of problems;

(5) MAS should initiate contacts and help with applications for assistance under appropriate sections of the coastal zone management plans;

(6) MAS is not a public relations but a public education-information network, and there is a world of difference;

(7) Education for resource management has to start at the basic level. In other words, you can't shortcut the people and go directly to the agencies;

(8) National Marine Advisory Service is chartered to perform this public

participation function, so why hasn't it been brought to bear?;

(9) Where would Marine Advisory Service get money for these additional activities? Will it come out of the hide of Sea Grant programs at the state levels or will the Office of Coastal Zone Management make allocation of funds through the Sea Grant program if Marine Advisory Service should become more formally involved?;

(10) What are the matching funds problems that we run into in doing this?;

(11) MAS at universities may be organized to bridge the gap or serve in a liaison function or in other cases may be organized with resource people in Marine Advisory Service, thus the best structure for this cooperative effort might be different in different states;

(12) MAS should have a few specialists as such, but primarily people that have primary training in adult education and group dynamics;

(13) MAS should recognize the public-private conflict in the coastal zone and deal with it; and

(14) How do we learn to understand each other better?

My recommendations, after this, are as follows:

There are dedicated people in both of these programs. There is a wealth of knowledge among them, and they must get together on the working level to arrange for cooperation in better coastal resource management.

I very strongly urge that the two Federal offices and the several states follow up this beginning in communication with operating level workshops to ensure that the two programs reach a level of mutual understanding necessary for our public agencies managing the very valuable resources we have on the edge of the sea.

Thank you.

MR. STANG: Thank you very much, Niels.

For those of you who came in late, we're holding questions until the panel session, which is going to be our experiment in public involvement.

I would like to move on now to our next speaker, Donald Straus.

Donald Straus is currently President of the Research Institute of the American Arbitration Association and was for ten years president of that American Arbitration Association. He has many other credits to his name; he is a trustee of the Carnegie Endowment for International Peace, and also a trustee for the Institute for Advanced Study at Princeton.

Mr. Straus is also involved with the State of New Jersey on the data mediation program and without further ado, I would like to introduce Mr. Straus.

PRESENTATION OF DONALD B. STRAUS
PRESIDENT, THE RESEARCH INSTITUTE,
AMERICAN ARBITRATION ASSOCIATION

MR. STRAUS: American democracy is 200 years old. On the eve of our Nation's bicentennial celebration, the introductory paragraph to our session this morning is both surprising and significant:

"The need for improved public involvement in coastal decision-making and recommendations for action programs and conflict resolution will be discussed."

What struck my attention as I began to prepare these remarks were the first two words, "The need." In this conference sponsored by a government agency, it is the government that seeks, in fact expresses the need for, public involvement. Two hundred years ago it was the other way around. It was the citizens who were demanding a voice, it was they who felt the need for participation. Now the shoe is on the other foot.

There is a paradox in public participation today. In 1776, the large national issues were far less complicated than they are today. But at that time, citizens neither asked for nor were believed capable of participating in deciding them. The citizen's role on national issues was confined to voting for representatives in the government in the belief and hope that they would become familiar with the pressing decisions and govern accordingly. National and state issues were left

to elected representatives. Only in smaller town hall meetings, where the ordinary citizen could have intimate knowledge of the underlying facts, and where it was possible for everyone to convene in one room, did the man-in-the-street address himself to specific issues.

It reminds me of a story about the two old classmates who were discussing their married life. "Who makes the decisions in your home?" asked one of them. "I make all the big ones, my wife makes the little ones" was the reply. "What do you mean by big ones and little ones?" "I decide what should be done about international diplomacy, the national budget, important questions on energy and environment, you know all the important things. My wife decides what we should spend as a family, where we should go in the summers, what we should eat, what movies we see, what television programs we tune in on, and how to bring up the children."

And yet today, when the problems at the national and state levels are far more complex, when the number of individuals concerned is in the millions, and when highly specialized knowledge seems necessary to understand the big issues, government officials are saying, "We need citizen participation." Why?

A full answer to this question is outside of the scope of this talk, and certainly beyond my own capabilities. But there are two important reasons for the "need" which stand out.

The first of these, which is more a symptom than a cause, is the simple fact that public involvement is required in most of the laws which concern us at this session.

The second is that government administrators have learned from long and somewhat bitter experience that they simply cannot govern, they cannot make their decisions "stick," if there is strong citizen opposition to the programs they propose. They have also learned that the most stubborn citizen opposition comes from those who have not been, or feel they have not been, consulted in the decision-making process.

A corollary, from the governmental perspective, is that opposition is most stubborn from those who do not fully understand the issues. What we do not know, because we have not yet given it a sufficiently long period of trial, nor have we yet learned the techniques for accomplishing this highly difficult task, is whether fuller citizen participation in the decision-making process will result in less opposition and more acceptable programs.

This leads me to the second part of the introductory paragraph to this session: "recommendations for action programs and conflict resolution." There is a growing recognition that, in environmental matters, the traditional methods of dispute settlement -- whether they be by mediation, arbitration, or in the courts -- are neither effective nor are they likely to result in a constructive resolution unless the dispute settlement process was begun at the earliest possible point of entry into the decision-making process.

In environmental disputes, the seeds of controversy are sown early in the decision-making process. There are many varieties of these seeds:

- The view and participation of important concerned interests may have been left out.
- There may have been no consensus on the goals to be achieved.
- The program proposed may conform to the goals of one geographical region but be incompatible with the goals of another that is equally affected.
- The underlying scientific facts and other socio-economic data upon which the decision was reached, and which is used to support the justice of the decision, may be misunderstood, subject to attack, or be refutable by additional data.

It seems to me, therefore, that the purposes of this conference would best be served if we approached public involvement as an opportunity for better administration, not a legislated evil.

Public involvement is a large and difficult concept to define. Others on this panel will discuss different aspects of it. In my recent efforts to get a handle on the question, I have focused my interest in public participation on collection and use of data. It seemed to me, after considerable reflection, that this was both an appropriate and an understandable point of entry into the decision-making process. It occurs early and hopefully before positions became too hardened, and can be an effective and legitimate device for breaking down prejudices and building up respect both for opposing positions as well as for the serious consequences of irresponsible behavior. Data collection can also be made a practical vehicle for experimentation. The remainder of my presentation will be devoted to a procedure for data mediation and data validation, and a brief description of an actual experiment in this process.

As data is put into the decision matrix, disagreements can and do occur with regard to them. Often, however, the disagreements that arise at this early stage are "in-house" and are resolved by the "in-group." A plan of action is announced only after the aggregate of all the little decisions, including the data to be used, are resolved and wrapped up into the total plan. At this late date, any orderly discussion of the packaged plan is frustrated by the intricate web of interrelated smaller decisions which have gone into it, and which, by this time, are often buried in computer tapes or lengthy and technical reports.

To further complicate matters, there are usually a number of different parties involved. Even within the government, both at Federal and state levels, different agencies have different agendas, there are often wide differences in goals between Federal and state levels, and there are many shades of opinion in the private sector.

Under these circumstances, when the responsible government agency releases a program, the facts that are used to support it may be perceived by some parties to have been selected more to make the argument than to assist rational appraisal. Disgruntled parties may each prepare and release their own programs, developed with

different goals, and supported with different facts and data.

This leads to what I have called the battle of the print-out. Human interaction is virtually precluded except in the adversary posture. All available objective data, upon which reasoned choices must be made, have become buried and are no longer visible to those participants who have neither access to nor sufficient training to find them. Dispute resolution at this point on any reasoned basis is virtually impossible. That is why I have suggested that we move dispute resolution to the front end of the process where decision-making commences, and for this purpose I have chosen, as I have already suggested, the collection of facts and data.

Based on the applications for program development grants on file with the Office of Coastal Zone Management, the development of data inventories has become recognized as one of the first tasks in coastal zone management. Virtually every state has developed a plan for acquiring and analyzing an inventory of biological, physical and socio-economic data in the coastal zone. In most cases, this inventory will be shared, under a variety of methods, with the participating public. For example:

- Alaska plans a series of workshops, displays and an information dissemination program to educate the public with regard to the intrinsic values of coastal resources.
- Florida plans to expand its library and newsletter services to develop supporting technical capabilities in the areas of photo and remote sensing interpretation and application of computer data management.
- Georgia plans a "citizen participation pamphlet" which will provide a uniform approach by which the local planning agencies can handle their individual programs.
- Hawaii plans "public hearings and informational meetings."

- Maine plans a public opinion poll to determine information available regarding coastal problems and needs.
- Maryland plans informational and educational seminars.
- Massachusetts plans to disseminate information through newsletters, bulletins and public meetings.
- New Jersey's program will be discussed in greater detail below.
- North Carolina plans a handbook describing impacts of various land and water uses as well as TV, radio, press, and public meetings to disseminate information.
- South Carolina plans a "study awareness" program involving preparation and dissemination of a brochure to inform the public, plus familiarization tours of the coastal zone.
- Texas plans a comprehensive series of public hearings on data that have been gathered.

Since most of these state programs are still in the early stages of development the precise nature of public participation is difficult to obtain from their written reports. It would appear, however, that the problem of challenged data, if in fact it exists, has not been directly recognized in most instances. But if the data is challenged later on in the development of the management programs, then these "early seeds" of dissension may sprout into a thicket of controversy that will be difficult to penetrate.

Since I have now spoken so much about potential disputes over data, perhaps it is time to be a little more explicit. Here are some examples of the kind of disputes I have in mind:

Flood Areas - There are various approaches to the delineation of flood-prone areas. Each of these approaches may be perfectly valid for the purposes for which they are intended. But different approaches will result in favorable impacts to some, unfavorable to others. A process of data validation need not determine

which is the "most correct approach" but rather should determine which approach should be put into the inventory and clearly labeled so that all who later seek to evaluate the program will know on what assumptions the flood-prone areas have been determined.

Extent of Oil and Gas Reserves: Estimates of oil and gas reserves, before extensive exploration, can vary widely. A management program should clearly label which estimate is used, and for what reasons. It would seem critical to allow "concerned citizen" involvement in choosing which forecast is to be used if the resulting program is to be accepted. Barring consensus, at least full understanding of the estimate or estimates chosen should prove to be helpful in the ensuing discussions.

Ownership Patterns: Some of the mapping in an inventory will refer to boundaries of private property. These can easily and quickly get out of date. A clear and obvious example of "data validation" would be to display such maps in the affected localities in order to pick up errors or changes which have occurred since the map was drawn.

Accident Probabilities: Probabilities of accidents, including oil spills, atomic plant accidents, explosions, etc., are always a potential source of controversy. While it is clear that no precise predictions can be made, the basis for various estimates is subject to rational debate. A valid question for our discussion is whether the controversy over such predictions should be faced and a resolution attempted at the time they are first entered into the data bank, or should it be avoided for as long as possible?

Interactions of Economic and Environmental Data: Data in isolation is of little use for planning. A coastal zone program must interrelate many series of data. Such complex syntheses of data, once completed, are most difficult to unravel. When programs based on such compilations are presented, public participants must either take the analyses on faith, or review the entire process. Again, for our discussion, I raise the question of whether it is better to resolve, to the extent

possible, any controversy over the synthesis of the data before it is incorporated into the total package of the program, or ignore the question in hope that it will get lost in the total package that is released.

The above listing of potential conflicts over data illustrates the kind that I have in mind. The varieties of such disputes are literally infinite.

In developing an inventory of data, an important consideration is the use to which the data is put. Without some focus on the eventual use of the data, the inventory could become hopelessly large and much time and money spent in its compilation would be wasted. This is even more critical if there is to be public participation in the process. The uses to which data is to be put will help to decide at what stage in the compilation process public participation should be invoked, and who from the "public" should be involved.

General data, such as bathymetry, flood plains, census data, etc., usually come from recognized sources and it can be assumed that most of it will be of value in the development of the program. But other data of a more specialized kind should probably be developed only in connection with carefully defined goals and critical areas. But here we run into a dilemma. Goals themselves are controversial, and any final determination of a goal should probably await analysis with the assistance of as much objective data as possible. For example, it might be a real estate operator's goal to build as many buildings on a piece of property as possible, but it might be a fishing club's goal to keep him from erecting any more buildings of any kind on that land. The coastal zone management program goal must be a formula that weighs conflicting goals and arrives at a solution that achieves the greatest benefit at the least economic, environmental and social cost.

A procedural solution, and one that is being followed by many states, is first to involve public participation in the definition of various goals. This can then be accompanied by the acquisition of an inventory related to these various goals. At this point, a decision on what goals are to be adopted need not be made.

In choosing goals, data need not be as detailed as one might need later for site-specific decisions. Participants in this process should probably be representative of statewide organizations and highly qualified technicians in the various technical areas of concern.

At a later time, when the program development begins to look at more localized problems, it is likely that more local citizen participation should be invoked, and, as a corollary, it will probably follow that while the level of technical expertise will be less, the knowledge of local conditions will be greater. With proper communications from the state representatives to the local chapters of their organizations, this lack of local expertise should be somewhat compensated by prior consideration of the general nature of the data at the state level.

The volume of the data that will eventually go into state inventories is mind-boggling. It will come from many different sources, and will cover almost literally all categories of human knowledge concerning the environment -- both physical and socio-economic. Such an inventory is expensive to compile, to keep current, and above all to organize in a way that can be useful to the planning and decision-making process.

To further confuse matters, there is a growing proliferation of such compilations at various levels of Federal and state governments, as well as in private hands. For example, a partial listing of rather extensive data compilations covering the New Jersey coastal zone would include: the Office of Technology Assessment of Congress, the EPA "Storet" System, various deposits of data in NOAA, other Commerce Department bureaus, the various branches of the Interior Department, departments of Rutgers and Princeton Universities as well as other New Jersey educational organizations, regional planning organizations, and private companies (particularly the oil companies). Many of these data sources contain the same information, and to this extent their duplication is only a question of uneconomical use of time and money. But it also can be presumed that much of the data pertaining to overlapping geographical and technological areas will be different.

To the extent that such differences exist, they become seeds for future controversy.

Monopoly tends to stifle innovation and can become a tool for special interests. This may be as true of a data monopoly as of any other kind. But there would be obvious advantages in having a common data source. Would the theoretical advantages of such a common source, achieved by consensus, outweigh the dangers of monopoly?

Assuming that as a practical matter no one monopoly of data should or could ever be achieved, are there nevertheless areas in which some general consensus with regard to overlapping data should be attempted? For example, again using the New Jersey coastal zone for our purpose, could a Federal agency be appointed as the "national repository" of data affecting New Jersey coastal zone management decisions? Or should a subcontractor, for example, Princeton University or Rutgers University, be designated for the purpose?

It is interesting to note that the State of Washington has made a move in this direction. In its application for approval of its management program, there appears this statement: "However, much of the information available has not been compiled into a single data source for use of the authorities responsible for the on-ground management of the coastal zone. To help rectify this situation, the Department of Ecology has contracted a consultant to develop a summation of all the inventories, both local and state, into a uniform document with shoreline information for the 15 coastal zone counties. This is to be completed within four months and will, for the first time, provide basic information in an accessible document."

There are a number of special considerations with regard to the data that must be compiled for coastal zone management purposes of which we should take note.

The predictability of much of the data in the environment vs. the economic growth and energy equation is not even. Prediction of benefits accruing from energy production and the corollary predictions of the costs that will result from delay in such production can be expressed in rather hard numbers, both with regard to money, supplies, employment, and other recognized and sensitive factors. On the other hand, predictions

regarding the cost to the environment from the impact of such production, or conversely the beneficial impact that will accrue from delaying or forbidding such production, are more difficult to make, they usually extend into a more distant future, and they can be stated with much less reliability. It has been argued, however, that while the predictability may be less reliable for environmental damage, the eventual costs of environmental degradation, if it occurs, could outweigh the benefits of energy production. My reason for making this statement is not to become embroiled in the energy-environment debate, but rather to raise the question of whether we should try to balance "hard" energy data and "soft" environmental data in the equation upon which decisions must be made, and if so, how?

Perhaps it would also be useful to divide the kinds of decisions which must be made into two categories: "whether" and "how." "Whether" or not to take a certain action must necessarily be made with less reliably predictive data than those concerning "how" to put the decision into effect. This is true because the decisions extend further into the future, and often must be made before those activities which accompany the beginning of a course of action are able to produce additional data for determining later questions concerning "how" to continue the project. In other words, "whether" decisions must be made earlier, more intuitively, with "softer" data, and with more value judgments.

Nevertheless, the volume of scientific data is large, and is growing, and is capable of even greater improvement both with regard to its quality and to the form in which it is made available for use in "whether" decisions.

Would it be possible, and if so useful, to separate data inventories used for "whether" decisions from the more sophisticated data used for "how" decisions? In other words, can we use less predictive but nevertheless useful data for our intuitive and value-judgment decision-making processes? Such data would not pretend to provide mathematically accurate predictions of the real world, but might be useful in suggesting directions of consequences of various "trade offs."

To conclude this presentation, let me describe an early attempt to construct a process of data validation.

Under a grant provided by the Rockefeller Foundation, and in cooperation with the New Jersey Department of Environmental Protection (DEP), the American Arbitration Association is conducting an experiment in data validation.

As part of its Coastal Zone Management Plan, the New Jersey DEP is devoting the first year to the compilation of an environmental inventory. Over 100 different organizations, both private groups and local governments, have been identified as having an interest in the coastal zone. These organizations include county and municipal governments, local planning boards, and various public authorities on the governmental side; and everything from the Audubon Society to the American Petroleum Institute on the private side. They have been invited to participate, under AAA auspices, in a validation process as the inventory is collected by the DEP.

The validation process consists of:

- a. Identifying data which should be gathered
- b. Identifying data which is uncertain and unreliable for prediction
- c. Identifying disputed data and mediating out the disputes if possible
- d. Where agreement is impossible, seeking through mediation to narrow the differences
- e. Clearly labeling and making specific the disputes over data which cannot be entered into the inventory by agreement; or eliminating from the inventory data which is too controversial to be useful
- f. Identifying additional data which should be collected

The first data validation meeting was held in Trenton on May 2, 1975. The meeting was well attended by approximately 70 representatives from a wide variety of public and private organizations.

In the invitation to the participants, they were advised that nine inventory factors would be considered at the meeting. These included: bathymetry, flood areas, geology, ground water, land use, slope, soils, tidal wetlands and vegetation. Summary sheets of these factors were attached to the invitation and the participants were asked to review them prior to coming to the conference.

To aid in preparing for the meeting, the following guidelines were suggested:

1. Before coming to the meeting, become acquainted with those inventory factors which apply to coastal zone problems of greatest interest to you and the agency or organization you represent.

2. Be prepared to comment as specifically as possible. Do not merely say that you do not like the data. Be prepared to tell us in what specific ways you feel the data is in error or is inadequate.

3. Be prepared to say whether you think the suggested data should be and can be revised, or whether you would like to suggest totally different kinds of data or data available somewhere else.

4. Wherever possible, it would be helpful to come prepared to accept the data now available, even though you may wish to criticize and have corrected certain specific items. In such cases, again please try to be as specific as possible.

5. We recognize that in many cases there simply does not exist, and cannot be developed, data which are totally adequate to the task. In such cases, you may wish to suggest certain cautions in using the inventory data.

6. There may be data which you feel are necessary for the proposed inventory factors and which have not been suggested. In such cases, please come prepared to tell us whether, in your knowledge, such data is available. If it is not available, please be prepared to tell us how you propose that it be collected or developed and what would be the appropriate cost and time involved.

Everyone at the meeting of May 2 was given a validation form on which was listed all of the inventory items to be considered. Every participant was asked to check

on the form either "yes" to indicate validation without reservations; "yes with comments" indicating approval of the data but with reservations as amplified on a supplementary sheet; "no" indicating that the data should not be validated, or "abstain" indicating that the respondent had no opinion.

Various members of the DEP staff presented the data with the aid of slides and mimeographed materials. After each item was presented, I, as the AAA data validator, took the chair and opened the meeting for discussion.

As we had anticipated, most of the early comments focused on the procedure. It was necessary for me to repeat several times that a vote for "validation" at this point merely indicated that it should be put into the inventory as the "best available" and did not commit the individual or organization to accept it without further review. It was explained by me, and acknowledged by representatives of the DEP, that we were seeking cooperation of those present, that we were not seeking to co-opt them. It was only after full discussion of the procedures and purposes of the meeting that we were able to make more rapid progress with the data validation process.

It will be recalled that most of the data presented at this meeting was of a general nature and, for the most part, came from recognized and well established governmental sources. From impressions gained during the discussions, and from the forms handed in by the recipients either at the meeting or by mail following the meeting, most of the data presented was either totally acceptable, or acceptable with reservations and cautionary warnings with regard to its use. A number of suggestions were also received for additional data that existed but was not presented by the DEP staff. Most of this data was known to the staff, but was not considered useful or sufficiently accurate for the inclusion in the inventory data. All of these additional items will, however, be reviewed again by the DEP staff.

The majority of participants either felt unqualified to register their opinions on the data or were, for other reasons, reluctant to do so. Some of this reluctance, in my opinion, was caused by the difficulty to relate the data to the particular concerns of the individuals who were present. In future meetings we plan to relate the data for validation to specific goals and areas of concern. We believe that this will generate greater interest on the part of the participants and will give a sharper focus to the data and the uses to which it will be put. Data validated in this way should also be useful for more generalized purposes in the data bank.

In the months ahead, additional data will be presented -- some in meetings, and some through the mails with return validation ballots and comments requested. For data which is more controversial than any we presented at our first meeting, subcommittees will be organized for further and more intense mediation efforts at which time consensus will be sought, or failing consensus, at least a narrowing and labeling of the differences.

For this purpose, teams of mediators consisting of one with previous mediation experience (probably in the labor relations field), and the other with technical background in the data items under dispute, will be appointed from the panels of the American Arbitration Association.

After we have completed the inventory, we hope to continue our mediatory role in the more sophisticated phases of coastal zone management program development. Hopefully, the existence of a validated data bank, and the experience of cooperation by the participants in the development of the data bank, will facilitate greater understanding of the available "trade offs" that must be considered.

But all of this is in the future, and is even more speculative than the data validation process I have just described. For the purpose of this discussion, I would like to focus on data validation and close my remarks right here.

MR. STANG: We would like to move on quickly now to the fourth speaker and then go ahead with the coffee and with informal ad hoc groups which we would like you to assemble and we will discuss that in a second.

The fourth speaker is uniquely qualified. I know most of us started out educationally in a certain area and have kind of drifted into others as time goes on. Dale Manty has not drifted yet; he may, but basically he is in a public participation mainstream. He got a Bachelor of Arts from the University of Michigan and then went on for his Master's degree there, working in the Sea Grant program all the way. He is currently at Ohio State University where he is working on his dissertation, "A Model for Developing Public Communication and Participation Programs in Coastal Zone Management."

He wanted me to indicate that he's coastal in origin, that is, Traverse City. So I think Dale is uniquely qualified and will be talking on the subject of "Public Image: Tyrant or Team Player?"

Dale.

PRESENTATION OF DALE MANTY, RESEARCH ASSOCIATE
OHIO STATE UNIVERSITY

MR. MANTY: Thanks Paul, for a very presumptuous-sounding introduction, and good morning to all of you.

You must have wondered why a nice boy like me from the College of Agriculture from Ohio State University hoarded his lunch money for months to pay his own way to and took on the hassle of making this presentation in a place like this.

Well, I think the reasons are probably related to the same reason why a staff of 40 people, funded by the bureaucrats, are able to, as Bill Matuszeski from the Council on Environmental Quality said, "able to accomplish with \$8 million what area-wide waste treatment planners would probably not come close to accomplishing."

The same reason for that was also reinforced by Betsy Warren from North Carolina who was talking about, as an introduction to her presentation as to what North Carolina has been doing in coastal zone management programming, by calling it "excitement." And for me there is probably an idealistic motivation that's rooted someplace in what is probably a form of democracy, tempered with a little bit of Protestant ethic, to make the concept of significant and effective public participation in coastal zone management something akin to a reality.

Anyway, what we are going to be talking about is the public image: tyrant or team player, and the ultimate label leaves undefined the question of whose public image we are concerned about, the image or conceptualization of the coastal people by the coastal zone management agency type or the image of the coastal zone management agencies by the people?

In either case we can consider the questions by examining several factors. In the short time we have this morning, I would like to share two major ideas with you.

First is that public participation and communication in coastal zone management, as you have probably heard by now, is complex, difficult and it involves significant value issues.

And secondly, although the policy emphasis in public participation is a relatively new phenomenon, there has been significant research ongoing in other areas that I have labeled water resources in coastal zone management or public participation. And I would like to share with you a little bit of some of these, I think, significant research findings in these other studies.

Some have transferability, some of you might know about some of them already, and others of you might not know about them at all. So what I would like to do is, in discussing these, I think we should maintain a sense of objectivity and not be prescriptive in spite of the kind of democratic bias I have already talked about.

And I think, like an environmental impact statement, every public communication participation program is unique, with a unique population and a unique set of problems and those are the variables which should condition what sort of program should be happening.

And hopefully, as Darius Gaskins from the Interior Department was talking about in his little delivery two days ago, we can do a little better than, as he said, "respond to the people who holler the loudest and scream the most." That is not exactly a prescription I would like to offer.

One of the pitfalls, by the way, in public participation that I felt today is that they are a little ill-prepared. In the questionnaire you have been given there is at least one of the figures that I would like to talk about for a minute.

But I guess the first thing to think about in conceptualizing some kind of a model for designing a program is to think that there are -- again as Bill Matuszeski was talking about -- two dimensions of the program that people have to understand before they can begin to find out where to plug into a participation program, and that is, the process as well as the technical substance involved in the issues of coastal zone management.

As Bill was talking about it, he listed about seven Federal programs that are all complementary in some areas, conflicting with coastal zone management activities.

Now, if you put yourself into the position of, if you will, a citizen, then you will be concerned about developing the coastal program. If a Housing and Community Development Act program says they are going to give you money for your park long before the coastal zone program is ever going to get around to it and maybe if that's your objective, someplace along the way the people of the coastal zone program or somebody should be giving you a fairly accurate and complete scenario of just what's going to be happening in other policy areas, appreciating that you can't be doing everything.

I guess that's probably not really good advice for an agency which is trying to build support at its first meeting to announce the competing meeting schedule of places where you might go and get better services. However, I think there is some kind of responsibility to recognize what other major programs are competing and likely moving more quickly to the problem resolution than you are.

The second issue then is identifying some of the technical substance areas that the people are going to have to understand if they are going to be meaningful participants in any kind of decision-making process.

Then we move onto the area of public participation techniques which I wanted to share with you. One consideration of these is that some of the more popular techniques have different capabilities, depending on where you want to be programmed, that may be more or less useful.

The second thing that is important in trying to design a program is to assess community values, and this relates to values that people have to be able to communicate and articulate in a program.

Now, it seems kind of obvious to many of us and maybe not so obvious to you who aren't involved in it, that the adage that one size fits all does not apply to public information and participation programs. Different levels of audiences have different capabilities to understand information. And it is to me demeaning to say, "Well, you know, there is a Reader's Digest audience and there is a New Yorker audience and then there is really a nonreading audience."

That's pretty much a reality. And when you are concerned with designing one set of information and materials to reach people and don't get beyond that, there are a good number of people who want to get it all in their information program. And there are available techniques at any coastal zone management program that you could probably utilize to find just what the sophistication level is of the audience that you are trying to reach.

I think another important element in constructing a program is to identify institutional barriers. Now, typically when people think of public participation, especially public communication, they think in terms of the linkages between that process that is called the public and the other social system or entity, called the agency.

Well, the linkages are fine, but I think it's important for either end of that linkage chain, what happens to that information when it reaches the agency? That is, what do you do if you are a coastal zone management planner, for instance, and you have a bunch of disparate representatives of the community who need the information. How do you put it together into one consensus set of objectives or whatever?

And even if they do, if you respond to another constituency within your agency, who are very much interested in new alternatives, for example, what responsibility do you have and what are the obstacles you have had to implementing or beginning to put public trust into your program?

And similarly, within the social structure, if you do a good job of bringing people who typically are involved in areas of coastal zone management or any other reliable source that is concerned with the issues, into the process and you don't argue with the information unless they have a continued involvement, bring it in with the first set of meetings is not going to ensure that they are going to be listed to or responded to.

And I think you have a responsibility, once you get them off the farm, to try to do something with them, not just leave them there having a negative sense of non-effectiveness reinforced by abandoning them.

So, I think when you start intervening in these kinds of fairly complicated sets of political structures, you have more to think about than just getting them to the meeting and providing information.

And I think that this might be a good place to present a set of three political models that are kind of basic to an understanding of the kind of operation you are

involved with.

The first one is what is called the traditional political model in which politicians typically are looked at as decision-makers. I guess you could draw, for the input-output diagram, through the technical engineer resource planning-type input into the electronic decision-makers. Or you could look at the technical or you could look at the public as being input areas in the decision process, with the politicians again as the decision-makers.

The second model is the technical expertocracy model which includes many agencies that are characterized by our engineers and planners who have the answers because they already know the questions and they have input from elected officials and from the public.

And then there is what is called the participatory democracy model, which indicates that if there is input it comes from the elected political officials and the input comes from the technical experts, but the real decisions, I think, rest with the public.

Now, I don't mean to be normative in describing these models. They are just descriptions, but one of the key problems in having an effective program is not recognizing just which of these three models is in effect.

Some of the more significant research in characterizing participation in resource issues has some kind of interesting implications I would like to share with you just briefly here.

A fellow by the name of Marvin Olsen from the Battelle Human Affairs Research Center has done a characterization of the midwest community, strongly identifying just who is involved in the decision-making. He has found kind of an interesting diamond rather than the pyramid set of community breakdowns and includes them all.

At the very top there is 30 percent who are leaders; 13 percent under them are activists who serve on committees; and then 15 percent below them are communicators who influence opinion and are not necessarily involved in action programs, but

typically know pretty much what's happening. Underneath them are another 50 percent who are divided roughly into two categories, 30 percent are citizens who do the minimal task and if highly motivated, will probably turn out the vote. But the other 20 percent he labels "marginal," who had minimal awareness and don't do anything, typically in any kind of political sense, but are reachable and then at the bottom he lumps 20 percent who are either politically or socially autistic.

(LAUGHTER)

MR. MANTY: Well, most programs rely on the top 30 percent who are easy to get to, and they read their newspapers and they listen to media perhaps, and they are a fairly sophisticated processor of information.

So, I guess the bottom 70 percent were rarely reached and there have to be specific information programs designed to reach them. And I guess one's key is not to sound anti-democratic but I guess in some respects I have to pretty much disregard the bottom 20 percent unless they are going to be directly affected, by being dislocated or who will be severely affected economically by some type of a program plan.

You know, you really almost have to deal with them on a one-to-one basis or they definitely are not going to be reached.

But the 30 percent of our citizens and the 20 percent who are marginal are capable of being reached with special information programs that are designed to reach them. Now, some of the empirical research indicates that one of the best ways to reach these kinds of people isn't through any kind of public media, because it is through either the organization or the association.

So, working with the United Auto Workers in Michigan, for example, the Huron River Watershed Council undertook a study for the Office of Water Resources Research.

It was a very special program that was coordinated with the JAW and involving direct contact with individual property owners. A surprisingly high rate of 60 percent of these marginals was motivated with special information programs.

Jerry Fulton from the Huron River Watershed Council has been heavily involved in this kind of small group nonparticipant activation and I think you might find some of the stuff that he has been doing along these lines interesting if you have these kinds of population in your area.

I think another interesting study that I would like to just briefly throw out to you is the fishbowl experience in Seattle. The Corps of Engineers was suffering from all kinds of bad press and negative public reaction. It decided it was about time for them to undertake a new program and they developed something called, "the fishbowl experiment" in open public meetings that were sizable. That is, after it had one set of hearings there would be a brochure that said, well, what happened at the last meeting was -- and what's happening next time is.

Well, Dan Tasmanian, a fellow from Brookings who is now at Pomona College, has done an analysis of this fishbowl experience and he found some interesting empirical results.

Given that this is one of the most innovative and high-energy intensive public communication and participation programs the Corps has been involved with today, it got a really positive reaction from citizens towards the process, towards the open fishbowl process.

But unfortunately, the fishbowl process happened after the program was begun so a good many of the alternatives of the program design had by and large been determined already.

So the options that were available in the process to deal with were not very well received. And so the empirical data again indicates that people still feel very negative towards the options that the report presented. But it would probably be positive towards the process.

Well, the Corps, being a little more short than long-term concerned, basically scuttled the project as a failure. But I think if they could look a little bit further and see that if they would continue with the fishbowl experience and have it open at the beginning as well as the middle and end, that they could probably get the same kind of positive effective position of the public to not just the process, but the outcome of the process as well.

I think that in summary here there are a couple of basic issues that are involved that relate to my first major concern of the value orientation that's involved in all coastal management programs. If you are dealing with the coastal zone management program, which obviously doesn't have a mandate to be a major radical social changing effort, you nonetheless have some kind of a responsibility to recognize that by not taking into account the fact that there are a good many people who aren't typically involved in the process, that if you don't make some special efforts to reach those people who are going to be of value, you are, by and large, reinforcing or exacerbating the inequalities of present administrative problems.

And it seems to me, being naive -- academic perhaps -- that the value is making the determination in your program to go with a broad base of public participation. If you bring in people who have typically been involved in the process, it is going to result in a lot of noise.

They have different values, different sets of objectives and probably are going to want different things for the coast. If you go with the present structure, it's not only going to be very inefficient, but if you decide to go the way you typically were going, after the people who are familiar with the program, they are familiar with the problems and they can probably achieve consensus in Robert Knecht's timetable.

When you bring in new characters not only do you have additional time to develop special materials and to identify special audiences. But you bring in people who, unless you can pull together some kind of synergistic measure of meeting disparate objectives and coming up with a consensus program, you may well have a very frustrating program.

But it seems like this is the sort of issue that should be resolved by coastal zone management planners. This is the kind of issue that belongs to the legitimate public policy process.

Thanks.

(APPLAUSE)

MR. STANG: Well, you know we do our planning and we make our schedules and all that, and we find the coffee is not here yet. So what we will do is take a few questions from the floor if we could, of a few panel members, maybe on their specific talks and as soon as the coffee gets here, we will go out and come back for our little ad hoc groups.

Do you have a question? Yes, Burt?

MR. MUHLY: What I have gleaned from this conference so far really is a point I just alluded to, that we really didn't get into, which is when we talk about coastal zone management, are we talking about a process that involves comprehensive planning of all of the elements or something less than that?

I think that that has not really come through clearly. I noticed that Mr. Knecht, the report of his speech the first night -- sorry I missed it -- that he suggested that the whole question goes back to should local government really be involved? I'm not sure whether I understand whether the process that local government is to be involved in deals with all of the elements that cities and counties must deal with with a comprehensive plan, or whether the Federal legislation which has been adopted, where they are making an inventory for public involvement, is really talking about involvement in a planning process that involves all of the elements.

Now, this morning at breakfast one of the panel participants suggested that transportation planning was not a part of coastal zone management. And I don't understand that. The California plan we look at as the beginning of state planning that is not only going to deal with the physical development problems, but socio-economic objectives, but I don't see why you are talking about any of that unless

you talk about the integration of the transportation element along with the housing element and all of the rest and have that program sitting there regardless of where the funds are going to come from, coastal zone or HUD or what program, if you are there all the time, ready to fit them into the process. I wonder if we could have somebody address this question?

MR. STANG: Why don't you state again the question and maybe someone from the audience can answer it.

MR. MUHLY: Well, my question is this, we have talked about coastal zone management programs and about public involvement in coastal zone management programs. Are we talking about coastal zone management programs that stem from a comprehensive planning process which involves all of the elements of a general plan?

MR. KNECHT: I think I can respond to that.

I think the answer is clearly "yes." I think the Federal legislation had its origins in a somewhat narrower concern, in a narrower set of problems which were largely environmental in nature. The Federal legislation has a strong environmental thrust, but I think it's clear that it calls for and encourages comprehensive planning and management within the coastal zone. So I agree with your implication absolutely and I think that the discussion at the breakfast table with regard to transportation planning had a slightly different focus. I don't think the speaker meant to imply that transportation wasn't a vital part of coastal zone management planning and execution.

MR. MUHLY: Well, it has been misinterpreted.

MR. STANG: Thank you.

Do you have a question here on the floor?

MR. COOPER: Norm Cooper, Office of the Secretary of Transportation. I would just like to respond very briefly to that. In pointing out that the U.S. Department of Transportation in its process of reviewing bills and legislation and creating a position that the department has consistently supported, namely coastal zone

legislation and Federal land use legislation, Federal transportation programs include some \$50 million a year in transportation planning.

Well, one of the problems, it was recognized, is that transportation planning is a categorical purpose and it has not had the advantage of being based on a, or part of, a general comprehensive plan, particularly land use planning.

And it is for this reason that the transportation sector, at least reflected in positions taken by the Department of Transportation the last few years, has strongly supported land use planning as a basis for transportation and infrastructure planning and development. And it's essential that these things be accomplished in an integrated capacity. We hope that our program is going to be coordinated and dovetail more carefully with the coastal zone activities in particular.

MR. STANG: Thank you.

Before we go to the coffee, which has arrived, we will have to hold the rest of the questions for the ad hoc discussion groups and the panel afterwards.

Before you go, please, in the back of the room, in the center of the back, is a table of public participation information the states have sent. You are free to pick that up.

Also, back in the back in the right hand corner is the addenda to your roster of attendees. We would like to have you go out and break for coffee, come back at 20 minutes after and have our ad hoc discussion groups. I will ring the bell when it's time to come back.

(COFFEE BREAK)

MR. STANG: We would like to get along with the panel discussion. What I would like to do is call on the individual groups to give us at least your primary questions and the panel is here to answer and also I would invite anybody in the audience who would like to participate in answering the questions, to indicate such.

Why don't we start with the group over here. Don, could you give us your first question, please? There is a mike right behind you.

VOICE: Our group has had some discussion, but we have only come up with one specific question.

We would like for the man from the Arbitration Association to elaborate on what is data that is too controversial to be useful?

MR. STRAUS: I would give you one example, and after all I am not an expert in this field, but let me give you one kind of example that I have run into.

I have heard it in public debate stated by one individual representing, let us say, the American Petroleum Institute, in this case, that the chances of an oil spill are 10,000 to one. And I have seen in the same meeting somebody else come up and say, "The chances of an oil spill in our view are four to one."

Now, the speeches that were given prior to this were each predicated on this basic fact that was in the speech. One was 10,000 to 1, and other was four to one. These were not untruthful statements.

The Petroleum Institute was basing its statement of 10,000 to 1 on the possibility of an oil spill from one platform under the present technology. The four to one was a statement that was out of a lot of guesses, but nevertheless, a fairly accurate survey of the possibilities of an oil spill from a whole oil field with a whole train of events that would follow that.

Now, all I would say is that it would be useful, it seems to me, if such a dispute arose in the early feeding of data into a data bank, whether it's computerized or otherwise, to have clearly labeled that 1,000 to 1 was based on some kind of premises and four to 1 on another.

There are many other kinds of examples. For example, the definition of what is a wetland. I understand there are various ways of doing this. All I'm saying is that one way ought to be agreed upon for a particular sort of an environmental inventory so that everybody can understand what it is.

Does that respond to you?

MR. STANG: Thank you. Could we go on with the next group and I will try to move quickly and limit our answers to, oh, a few minutes, and our questions to a minute or two.

The next group; could someone from that group get up and tell us what you've been talking about.

VOICE: All right. Our group discussed three areas. The first that came up and on which we all seemed to be in pretty general agreement is that public participation probably begins at the information level and so that the visibility or the information presented is pretty important and areas of the media that should really contribute to this are the newspapers or some area like that where you have a regular column or a regular section where these areas can be presented.

In other words, one particular spot where the public can go to where they know these issues are going to be every day.

Another question which came up which has also come up in some of the hearings of the coastal commission is the question of representation, whether or not some of the commissioners should be elected or should be nominated and I guess there are a lot of various opinions on that.

Another idea which one of us suggests is the idea of a public defender and maybe I can address my question to this. Maybe you can expand on this a little bit. Someone who can be objective yet who can be a vehicle that the public can use to carry through any of their possible ideas. The funding of this, you know, we really didn't have any set idea on that. Maybe it could come from some sort of a Federal program or something like that.

MR. STANG: Would someone in the panel like to handle it? Maybe Niels could speak on the third one.

MR. ROHRHOLM: That's all new to me on the public defender business. I really don't know how specifically it could be done but there are, I understand from lawyers, reasonably clear-cut ways of handling this in court cases where they facilitate a

criminal case. And I think that the funding -- I wouldn't know which agency it should be tied down to, because I think my problem goes beyond the coastal here.

I'm arguing that the public is poor with respect to having this information and therefore the government -- whatever agency, I don't know -- could supply this service or make this available to all citizen groups. Now, obviously there will have to be some rules and regulations as to how to do it. I really don't know but I would like to see it pursued.

MR. STANG: Yes, Don.

MR. STRAUS: Just one brief comment on the public defender, which I think has some merit, but the public defender idea is predicated on the basis that this will be an adversary process, and I think most of the process procedures up to now for resolving these disputes have been in an adversary posture.

I would suggest for your discussion and consideration that the environment is really too important for adversary proceedings. It is really a deliberative process that we ought to engender, rather than the advocacy and opposition process, which is what you get in the courts and in public hearings.

MR. STANG: Yes.

VOICE: I think we are looking for an exponent as it were, rather than the public defender.

MR. STRAUS: I would accept that, assuming it's in a deliberative setting.

MR. STANG: Okay. Why don't we move onto the next group and why don't we each then take one question per group and then come back for more.

The next group please. Just stand in front a mike if you would please, so the reporter can get it on her tape.

VOICE: Okay. This is for Dale Manty. You referred to a model developed in Ohio. What was the best method and the most successful method for assessing that or developing that kind of determination of what composition really is. How many people don't give a damn? How many people are interested at all? What methods did they use?

MR. MANTY: Let me see, if I understand your question, it was what is the methodology for doing it?

VOICE: For determining who your audience really is.

MR. MANTY: Okay. This was a study done by Marvin Olsen using typically reliable survey methods of defining who is participating and who is not. But I think, as I hear your question, it's how can you, the program manager who doesn't have the time and the money to do a detailed community survey, how can you identify -- what is the quick and dirty trick you can learn to determine who these people are.

Well, there are several communications techniques that are probably more useful than sociological techniques for identifying the levels of sophisticated and other experience within the community. It is by looking over past voting records on local kinds of issues. You can determine who has been involved in things like recreation or water pollution. Generally they could sort the data by the precinct and then within your state there is probably through the medical records, a system of service that could give you a really detailed demographic breakdown of that same precinct unit.

I guess by looking at participation, for example, over time with special kinds of issues you can find within a region what kind of people are participating and what kinds aren't.

MR. STANG: Thank you, Dale. Did that answer your question? Next group, please.

VOICE: We have a question that arose because we seemed to sense the dialogue that went along between the program and the public and would not include sufficient decision-makers. They always talk about the leaders and the legislators. They don't seem to be apparent in the process.

Has anyone some thoughts on the way in which the dialogue of the public to the programs can be heard by decision-making groups.

MR. STANG: Does anybody want to handle that one? Bert?

MR. MUHLY: The question was about the public and the program level? Is that it?

MR. MANTY: How do you get the politicians to get involved in the debate?

MR. MUHLY: Well, there is no problem in my city, I'll tell you that. I am really not quite sure I understand this questions because of my experience in my community. I mean, we come in my city hall and it is really always full. We never have a city council meeting where we don't have a great deal of public participation which is putting the pressure on our local politicians to either participate or get out. Now, that's my experience.

We get into the debate. If we don't get into the debate, why we get removed here in Santa Cruz. That's just the way it works.

MR. STANG: Were there comments from the floor on this?

VOICE: I can give you a good example of the problem. It is really more of a problem at the Federal level than it is at the local level, because you are closer to your electorate.

But a classic example is the public hearings the Federal Energy Administration held on Friday in Memphis. If you look at the testimony that they got -- about three-quarters of those who testified talked about energy conservation as the most important solution to the problem, but that sure didn't make it into the President's energy program.

VOICE: I know in the Northwest hearings the only people who didn't think the energy conservation was important were the energy suppliers.

MR. MUHLY: Let me give you an example of what tried to do here. The Association of Monterey Bay Governments has a problem of getting the local governments around the bay to take a regional perspective and really discuss at length those issues that might be regional in nature as opposed to local.

So we are attempting to use the Council of Governments as a forum to discuss legal issues, and we started out in February by having an all-day conference on the issue of leasing programs. We had a very good power-packed conference. We had our own local Congressman here, Congressman Talcott, and we invited Pete McCloskey, who is a ranking Republican on the Merchant Marine and Fisheries Committee. We had representatives from industry. We invited all of them. We had the Chairman of the Board of Supervisors of Monterey County who was monitoring one panel. We had the Chairman of the Board of Supervisors of Santa Cruz County monitoring the other panel, getting in there rubbing elbows and mixing it up with the specialists from the energy, the Institute from Washington, our new Energy Commission in the State of California. That is one process that we tried to use here.

That resulted in a statement that was joined by statements that came out of Los Angeles that resulted from the hearings down here.

MR. STANG: Thank you, Bert.

Okay, the next group. In the back, please. Okay, then somewhere in the center I think there was one. Please stand up to the microphone.

VOICE: Mr. Chairman, we weren't very clear when we sat down as to just what we were talking about, and it has come to us here in the last five minutes, after we wrote the questions.

I guess the questions still are germane. One of them is, are public involvement processes structured to assure participation of all segments of society? And in what way is this deficient if all segments of society are not involved?

MR. STANG: Okay. I think the liberals get into that. Who would like to give it a crack?

MR. MANTY: I guess I'd like to give this one a try to start with. In presenting the diamond distribution of the community, I indicated that there were 20 percent at the bottom who are isolated, who for a variety of reasons are totally disenfranchised from anything akin to the management and operation of our social system.

I think we have to presume that unless they are going to be directly and adversely affected there is no typical media program or participation mode that is going to affect them. This has been the Huron River Watershed Council's experience. Unless you go to them, sit down with them and get them to trust you and tell them what's happening, you are not going to get any kind of a significant reaction from them for any kind of issue.

I think, though, to the 30 percent on the top there are no problems in reaching them. They are involved. I think it is that middle 50 percent, the 30 percent who are citizens and the 20 percent who are marginals, about whom the value question lies.

You know, if you give them special information that they can try to understand, try to develop some special participation modes so that when you have a hearing and you want more local audience there, you have a meeting that they can feel more comfortable with.

It is the kind of responsibility that you should probably consider before you start to act. Once you bring them essentially "up from the farm" into the political arena, are you willing to take the responsibility of satisfying some of their expectations?

If you bring them in and give them information about coastal zone management and after you give them the information you say, "Well, that's the end of my responsibility." You know, that's kind of a heavy value question.

If you think that through some kind of democratic analysis or technical analysis of the problem that you don't need the personal objectives or several objectives expressed; I guess that's the kind of decision you have to make, and on that basis you should make the decision as to how far into the community you should go to get support.

MR. STANG: Thank you, Dale.

At any time anyone in the audience would like to comment we would like to hear from you just as much as the panel members.

And now this group here in the front. Do you have any questions, please?

VOICE: My question is for Mr. Straus. How can we bridge the communication gap between the technical personnel and the general public? In this instance, we are referring to the highly specialized knowledge and the vocabulary that goes along with it.

How can this be translated so that the public can understand the issues and then they can participate?

MR. STRAUS: Well, I'm not sure, to begin with, that I'm the right one to answer this question except for my background in labor relations where I have gone into numerous disputes with pension plans and of compensation plans, profit-sharing plans, seniority systems and so forth that get very complicated.

And if you are dealing with workers who are perhaps in the automobile industry, where they are hardly educated, like the garment industry and so forth, there is a lower level of education. What you have to do is just, first of all, and I think this is the most important, convince the people that are participating that what they are participating in is important, not just simply an attempt to sell them a program.

When they become convinced that it is important to them as individuals, then they will continue to ask questions until you simplify the presentation down to the point where they can understand it.

I think the main thing is that this takes time. I think the greatest block that I have seen in the attempts to communicate this kind of information to a ground army is where the activists, the bureaucrats or the administrators or whoever, were under the pressure of time and they had to go faster than the information they were trying to impact would permit them to do. That is not a very satisfactory answer but I just think you have to keep working at it.

MR. STANG: Thank you very much.

VOICE: Could I ask him one more question?

MR. STANG: Sure.

VOICE: You know, I think that I see a practical application with this and tell me if I'm tracking with what you are saying.

We are concerned in California now with public acceptance of our plan and long-term financial impact of mismanagement of the coast. Now, why wouldn't that be an issue by which you could pique the general interest of the public and translate this to what it would mean if you did not manage natural resources in the proper planning method? You talked earlier about the impending catastrophe without having to experience the catastrophe. Now, would this not be a strategy?

MR. STRAUS: Let me try and place this one in an area that I am not concerned about. Suppose you had a conflict between an environmental program which will save, let us say, soil erosion versus immediate employment and the picketers decided that, by God, the environmentalists are taking the livelihood away from us for the sake of beauty for the applicant. This is the way it goes.

It would seem to me, and this is what I was trying to say, that the challenge to coastal zone managers or anybody else trying to manage, would be to paint a picture in either words or discussions or through projections which people could understand.

Unless you did some certain things, the land in this country would begin to look like the arid deserts in the west, as you recall in the Grapes of Wrath, and this is the catastrophe that will occur unless we do certain things and it just has to be made clear.

Because as I said, so many of these disputes and so many of these questions are giving up near-term gains for people who feel they can't afford to give up near-term gains. Like today's employment for tomorrow's safeguarding.

Now, along with that, if you were trying to sell one of Chavez's groups, for example, to give up some perhaps short-term employment for the sake of conservation of the soil, at that point it seems to me it is a public responsibility to give compensation for this.

We have been talking about compensation for coastal zones as a result of offshore oil. The same thing would come down to the grass roots level if you are asking workers to give up something short-term for long-term, demonstrably long-term catastrophe, then it seems to me you would have to have a quid pro quo there, sort of a compensation.

MR. STANG: Okay, thank you, Don.

How about the group at the back? Do you want to come up here or step to either of the microphones?

VOICE: Our group, lacking decisive leadership, has only one question, which is, how do you differentiate between public meetings or public participation programs and public hearings, which are usually considered adversary processes?

MR. STANG: Who wants to tackle that? Niels?

MR. ROHRHOLM: Sure. I would do it in the sense of the public meetings where we hope the purpose is primarily educational -- two-way education, incidentally -- that we are talking about a gathering at which no decisions are going to be made. We are talking about your own stage of the learning process, whereas at public hearings this begins to come home and there are frequently stipulations such as, unless/or objections are filed, the Secretary of State, within such a such number of days after this hearing, this act becomes law.

VOICE: May I just interject there? That's how we conceptualize it too, but when you go forward to people and say you are going to hold a meeting, there is generally a view in people's minds there is an adversary process. How do you overcome that?

MR. RORHOLM: That is correct, and if I may quote a journalist friend of mine, who puts it this way: the only way to get the public to work with you is if you are willing to approach them very early so that you can do it in one neighborhood, to go in and say, "we have a problem, what do you think we should do about it?" Now, that's a public meeting and not a hearing.

And I think it's that kind of thing that will slowly bring that across.

MR. STANG: Okay. I would like to have Don say a word or two because I think that's right down his alley, also.

MR. STRAUS: Well, I agree with Niels. I think if you bring people in early and say, we are not going to debate conclusions. We brought you in because we want your help and consensus as we begin to build up the arguments and the data for our conclusions.

It seems to me then the next process will be as people identify small pieces of that, they will elect their own subcommittees in whom they have some confidence and say, look, this is too technical, we have problems, will you come back and report to us on some of these technicalities. So it's sort of a pyramid process going on in public participation at the same time that the decision-makers are doing the same thing. It seems to me this is the difference between confrontation and participation or deliberation.

MR. STANG: Thank you very much. I'll take the middle group here on the side.

VOICE: Our group detected a basic weakness in the assumption that the general public can be involved in the coastal zone programs, but we assume that the special interest-sponsored associations will have the most interest in the coastal zone program, therefore, should we be addressing participation techniques more towards the special interest groups?

MR. STANG: Does anybody want to handle that? Dale?

MR. MANTY: I'd like to, at least in my mind, deal with that very issue. I guess I will be reiterating what I didn't make clear before. I think that the basic decision that has to be made within the coastal zone management implementing staff, whoever they might be, is, what is your base of support? Now, I guess you have a couple of agendas and one is to get your stuff done by the timetable that Bob Knecht and those people have set for you.

Okay. That means we have only got time to do a couple of information programs and a few hearings, then you know, if that's the priority, then that's what you do.

If, however, you have got, because of local sensitivities, take that one case in North Carolina, perhaps you know you try that approach. The two or 25 percent who are typically going to be reached by your typical classical style of meetings and information, aren't going to be sufficient to make your program apply. Then I think you had better look more closely at designing information programs which are going to get at broader participation.

MR. STANG: Does anybody in the audience want to comment on that?

Bert, do you have a comment?

MR. MUHLY: Well, yes I do. Right now, as I tried to say this morning, starting out, we have facility participation, a great deal of it now at hearings, but not nearly that we have experienced when the plan gets to the state legislature. And I am saying that, regardless of how you would tailor the information to any one of these special interest groups, you would not change their minds.

You may as well not have the plan before you and hold some of the hearings which we have all held up and down the state, because on one side all of the people who come in with the hard hats had their minds made up. You are not going to convince them that they don't have the right to cut the cliff down, to throw the sand on the beach. That's their right. They didn't want the plan in the first place, so it seems to me that you are going to have to deal with your constituency -- I'm

talking as a politician now -- and the political process is going to determine whether or not something is going to get out and is going to, indeed, carry out the purpose of the coastal zone management program.

And it seems to me that, reading Mr. Knecht's talk the other night, that you are going to have to work along with those legislators and to try to convince them, you know, between the local governmental officials, get the people in there, the people that you have who are friends at the local level, get them to these state assemblymen and these state senators and to point out to them that there is a responsibility here to talk about the broader issues of the plan and not just the coast; that there are jobs to be had if the proper governmental agencies will take the responsibility to provide the leadership to time the coastal zone programs to the wider needs of statewide planning and that, indeed, we can provide jobs over the hill by recapturing some of the four areas of San Jose and the San Francisco Bay region and by recreating new areas so that people won't feel that they have the right to these jobs.

They are programmed into these meetings and that is what you have to recognize, that there are special publics and there is nothing in this world that all the theoretical approach to reaching the various publics is going to have one effect on.

MR. STANG: Thank you, Bert. Do you have a question here, please?

VOICE: I am wondering if the various local officials could try to resolve this matter of getting a public expression of interest in a given, intelligent, informed way, the use of straw vote kind of procedures. Has that been used very much? Is it successful?

MR. STANG: Can anybody address that? Don?

MR. STRAUS: There is one group of people who are working on what they call "citizen feedback," which I think is something that is still on the drawing board but is very important.

There is a fellow named Dr. Stevens in Princeton Polytech who's working on this. In effect, what it does, it proposes an issue in the newspapers or on the radio. When it's on the radio you have open telephone calls so people can immediately feed back their views and expressions. In newspapers they do it with open coupons and looking into the future there will be television, feedbacks from television apparatus, which I suspect will be perhaps one of the instruments of, we'll say, a participatory democracy where you can get into the homes of the people. There is a lot of work being done yet on this sort of getting feedback from groups.

MR. STANG: Okay. I think the question was about a straw vote. Is that correct?

VOICE: As a technique, yes.

MR. STANG: Okay. Can anybody address the straw vote, please.

MR. MUHLY: At the local level in the revision of the general plan of the city produced a couple of years ago, there was created a pretty broad, 100-person citizens committee that broke up into about eight or nine subcommittees on the various aspects of community development.

And there was a very unique approach taken where the general chairman was selected by the political body and there were straw votes taken in every committee on every policy that was suggested, even with a secret ballot, and it was a technique that worked extremely well. I haven't seen it used again, but it turned out one of the best citizen reports as to what their general feelings were about community development.

And then the technicians were working right along with that in trying to feed in what data existed and to keep abreast of that parallel citizen effort, neither one getting out of pace with the other. The technicians did not try to interfere with the layman's approach to what the community could do. They did not feed in information at that time; that came together at a later point and processed through a series of study meetings so that when the public hearing came down to officially

discuss alternatives, you had everybody involved in the goal-setting process.

MR. STANG: Thank you, Bert. I think we had a group over here. Did you also come up with any questions? Anyone else here?

VOICE: We are going to level with you, our group is composed of professional planners and we are concerned with how you get the cost of time and efforts in public participation reduced. We are cognizant of the fact that in the final analysis it is only those who vote and continue to vote, who count. However, we have a little summary question for you and we hope that you will summarize, Paul, the answer to this.

By providing us with the elements for design of an effective public participation program, starting with the application of the issues, goals and important concern segments of the public, what should be sought? How should it be accomplished? What follow-up should be used?

MR. STANG: Well, that's a long question. What I would like to do is hold on that for a minute, because I would like to summarize it. We have a minute or two and I would like to see if anybody else has any other questions.

VOICE: We approached the questions a little bit differently, I think, than most. We tried to cast ourselves into members of the public and you talk about special interest groups, we concede that every public member is a special interest group, just not organized. So we are not asking questions about public participation per se; we're treating this as maybe a forum or hearing and ask a question on the plan itself, on the coastal zone management plan.

And the question we have is, is coastal zone management planning addressing the coastal zone comprehensively or is it environmentally biased? The thing that we see in it and we have seen the Washington Plan, the California Plan, is that somehow industry, coastal-related industry, coastal-related commerce, coastal-related defense, some of these things get a line or two, but the bulk of the plan, the other two inches is something else. Now is this a comprehensive plan?

MR. STANG: Well, we have a number of people who could answer that. Do you want to address it to a specific person on the panel or shall we --

VOICE: It's up for grabs.

MR. STANG: All right. We could drop on Bob Knecht, too.

MR. KNECHT: You have dropped on me, I guess. I think I responded to that second question a little while ago, but I think the Federal act has a strong environmental thrust that's clear in the findings and in the policies and in the legislative history.

But I also think it's clear that the Federal act recognizes that the economic development is important, the economic development element in a balanced coastal zone management program. So I think it is comprehensive.

I think the first state programs, however, come from states that in and of themselves, have a strong environmental thrust among the people who have influenced the planning stage. And I think these states are more environmentally aware and they are demanding a higher level of environmental quality than some other states. I think that is true in Washington and California, for example.

And I think when the plans from the states on the Gulf coast where the economic development interests are more real, where there is a larger gap between per capita income and national averages, I think those plans will have much stronger economic development elements to them. So I think there will be quite a variation from state to state, with regard to the balance between the economy and environmental considerations.

MR. MUHLY: Paul, can I address that for just one second?

MR. STANG: Yes; we are just about out of time, so if you could --

MR. MUHLY: All I want to say is that the California plan has a number of elements and most of them are physical planning-oriented.

During the process of adoption, remember every state assemblyman and senator is going to have to vote, some of them are going to come from East Oakland with a heavy minority population, and some from Salinas and so forth. If that plan does not address the social needs of the public and if that legislator finds something that came out of the physical desires only of some environmental leaders, that person is not going to vote for such plans.

And I say that any coastal zone management program or plan at this stage must be considered as a beginning for statewide planning programs in all coastal states. Otherwise, by looking at coastal zone management in a vacuum, it is destined to failure and it is destined not to meet the needs of the people of this country.

MR. STANG: Thank you, Bert.

I'd like to just take a few minutes to sum up and we can sum up on the last point, and that is, coastal zone management isn't a static process. It is not something that has a certain duration which will end, close down at that point in time.

The funding under the act, the Coastal Zone Management Act, is supposed to end at a certain point in time, but we all know that even if the Federal office drifts off into the bureaucracy somewhere, the state programs will be continuing on. The approval of the coastal zone management plan isn't an end point, but a beginning point.

But, getting back to the proposed participation session here. I tried to assess what's happened here this morning and what happened yesterday morning when the Sea Grant people were meeting. It appears to me that we have seen kind of a demonstration of some of the problems and some of the high points that one can achieve in public participation.

Obviously, if we had designed the program up here where we talked to you and had everything set up in a very formal and tight schedule with a lack of dependence on a response from you we would have had in our view, perhaps a smooth running program.

As you will note, we turned them all over to you to go out and get your coffee and come back into groups at the ringing of the bell, which was quite effective up here on the panel in that we were set up ahead of time. We told them we were going to ring a bell. You all didn't listen, so the groups drifted in slowly.

We saw an indication there of what happens, as Dale Manty indicated, that you are not going to get 100 percent public participation; you are going to get a small fraction. There will be some who are still out talking and probably will be for some time.

And so what we have got to do is our best and focus in on those people who are involved in it and who will participate in it, remembering, I guess, probably that the largest resource we have in the coastal zone are the people.

In yesterday's session there were a couple of indications of some of that, some examples of those resources. Al Miller spoke about when they got to the grass roots, finding a trapper, who had been a trapper for some 50 years, and a hunter who had been hunting for some 60 years, who knew the county probably better than anyone they had run across.

The hunter kept a log of the wildlife that he had encountered and the weather conditions every time he went hunting, from the age of 10 on. Now, I think we have to make the assumption in forming our public participation program that our biggest resource is the people and what we have to do is figure how to tap that resource, how to get their involvement in the plan, because perhaps the people can make some of the best suggestions as to what should be in the plan.

How you get to it is basically what -- Len Cook, I think, was asking me -- how do you run a public participation program from soup to nuts? Well, there is no easy way, because every local situation is different. Some communities are wealthy communities with highly educated people; others have a lower level of education. Obviously your approach is going to be different.

One has to assess what's out there; one has to take the opinion that they probably know as much or more about their needs than you can possibly guess. You have to get out and ask them individually. There are a whole variety of techniques to be used.

The questionnaire which I spoke of, and have handed out to a number of people, tries to get at some of those questions. We hope it will provide us at the OCZM headquarters some idea of what your concerns are and maybe we can summarize that and pass it back to you so you can get at least a cross-cut view of the people who were here.

I think that I have certainly enjoyed the session here this morning. I found that being put on the spot by trying to get the public to participate isn't the way. You can't get the public to participate; they have to do it of their own accord. All you can do is provide them, hopefully through sufficient motivation, because it's in their self-interest.

If it's that approach that's tackled, perhaps we can then have the kind of program we would like. Leonard, I can't give you an answer to exactly what our public participation programs should be, because it depends on the people who are being addressed and that's the primary indication.

I think that if it's a people-oriented program, it isn't something you develop and then sell; it's something you develop with the people and I think we can get there.

I have said enough and I have also taken up 12 minutes of Bob Knecht's time, so I'll have to turn it over if I want to keep my job.

(APPLAUSE)

MR. KNECHT: My remarks will be short and to the point, I hope. That was an interesting session, an interesting experiment, and I would like to thank Paul especially for the valiant effort you made in running the session and I think it turned out well. I thank the panelists as well.

Before we begin, I would like to mention two things briefly. Some of you may have noticed that there were some pamphlets on the back table this morning and they may still be there, a few of them. It's a coastal zone management program description by the League of Women Voters, the national office. It's an excellent piece on the national program and selected state programs and it is a very good piece to hand out to citizen groups and so on. We recommend it.

Secondly, I have been told that there are a few messages that remain in the message box over at the registration building so you should check there before lunch to see if there is not a late message for you.

Finally, with regard to my remarks, it seems to have become traditional, in a sense, for me to attempt to sum up what we have heard and where do we go from here.

First, what we have heard. I think we have heard indications, we have heard discussion, that indicates that coastal zone management is what we might call, "a maturing field." At this conference I think we have heard less theory and more practice than we did in the past years.

I think many in the field are now coming face to face with the realities we all knew were really there, but obviously nothing worthwhile is easily gained.

We have heard much of the energy-related issues and their impact on coastal zone management. We have heard some views from Washington that suggest that an independent approach to the energy facility siting issue should be taken, one not closely tied to coastal management or land use planning. I can tell you flatly that we at the Office of Coastal Zone Management do not agree with this approach. That is to say that we do not agree with an approach that undermines a comprehensive approach to the energy facility siting problems.

And we will continue to work in the Administration for a reconsideration of this position and I believe it will be reconsidered.

We have heard of a number of legislative changes that are pending with regard to the basic coastal zone management legislation at the local level and the Outer Continental Shelf offshore leasing program. I think it's fair to say that it's almost certain that some significant changes will occur in these two areas with the result that the Coastal Zone Management Act will be markedly strengthened and new additional dimensions will be added. And I would say definite progress will occur within the next three or four months.

I would also be very surprised if the legislative ground rules for the offshore leasing program are not rather markedly changed in the coming months, perhaps over a somewhat longer time-scale.

If energy was the major theme, then so were the local governments in our conference this time. We have heard of a number of approaches to the problem of integrating local governments, the role of local governments and so on, but I think the strongest statement was made by Mayor Pete Wilson of San Diego, who argued that local governments can do much of the job in partnership with state government, if they operate as they are supposed to operate. That is to say, in an open and informed manner; and Mayor Wilson argued that we give more attention to improving local government's capabilities rather than be too quick to patch around local government in our effort to obtain rational coastal zone management.

While energy-related pressures may be an awesome function in many states for coastal management, it by no means will be the whole story. Most observers feel that we are about to see a 200-mile economic zone adopted by the U.S. That is to say with regard to the waters adjacent to our coasts. This will mean that much greater attention will be paid to the active management of the fisheries and marine minerals, both sand and gravel and oil in this vast area, with the corresponding increase in pressures on the adjacent coastal areas.

But I think it's clear that the lemming-like migration to the shorelines for recreation will certainly continue and will very likely accelerate in the future. And this will also force coastal zone planners and managers to become more water-oriented in their thinking.

The onshore land use management aspects of our work must be seen, I think, to be only a beginning. I believe that state planners will soon have to join hands with their marine counterparts and get their feet wet in the water dimension of coastal zone management.

I think, too, we have seen and we will see develop more coherently in the field of coastal zone management. Marc Hershman, editor of the Journal of Coastal Zone Management, and the Nautilus Press Coastal Zone Management Newsletter so ably edited by Roseanne Schwaderer, have made very valuable contributions, I believe, with regard to adding a coherency to the field of coastal zone management.

We are seeing more law review articles devoted to the field of coastal zone management and I know that we are about to see a special issue of the bulletin of the William and Mary Law School devoted entirely to coastal zone management issues. I think that will be out in a few months.

Let me hasten to add, though, that this coherency is so far largely involved with technicians in the field and a few enlightened politicians. The momentum necessary to bring the change about that we are seeking will only come if the power of a concerned citizenry is added to the coastal zone management effort.

Clearly, we all need to work on this problem and of course the panel this morning focused on adding the power of a concerned citizenry to the work of the technicians to bring about a more rational management.

A few specific programmatic predictions with regard to the next year. First, you will see more action in the sanctuary portion of the program. I foresee a full commitment of the remaining \$3 million in the estuarine sanctuary fund and

and an effort mounted to obtain additional funds for this element of the program.

Second, we plan to develop more fully the substantive framework for the marine sanctuary program and anticipate a formal designation of a second marine sanctuary within the next six months. So I think we will see more activity in both sanctuary programs.

I think we will see a clarification of the management program approval process and a better understanding of what a management program implies and what an adequate state management program is from the standpoint of Federal requirements.

We were making, I think, rapid progress in that field as we confronted the first management program that you discussed earlier in the conference.

I think we will achieve in our next 12 months a first-level understanding of a de facto permit delegation problem. Now, what I mean by that combination of abstract terms is that there are important Federal permitting activities going on, obviously, by EPA, by the Corps of Engineers, and by the involvement of the National Marine Fisheries Service and the Fish and Wildlife Service through the Fish and Wildlife Coordination Act. Clearly, as state competence to undertake this kind of review to adopt and implement a more rational approach to handling the permit process comes into play in the Coastal Zone Management Act, it would seem that some Federal permitting authority could, in fact, be delegated back to the states with appropriate oversight.

We think we have a responsibility to find out how feasible this approach is, to work with the agencies involved at the Federal level and to pave the way in anticipation of that kind of a change.

And then finally, we anticipate the final approval of several coastal

state programs during the next 12 months.

A comment on the Washington scene, that is to say, the Washington, D.C. scene. We heard yesterday that Congress is squarely behind the Coastal Zone Management program and its continued growth and I hope that came across. Every indication we have in our dealings with the Congress, both on the House and Senate side, will support that fact.

But what about the Administration? Someone asked, what does the appointment of Rogers Morton as Secretary of Commerce -- that is to say, my boss -- mean to the future of coastal zone management? And I think that's a fair question. I will be having a discussion with him shortly and have a better feel for the problem at that time, but NOAA Administrator, Bob White, has already discussed coastal zone management and other issues with the new Secretary of Commerce and reports a very favorable reaction from that discussion.

I would only remind you that Rogers Morton, together with Russ Train of EPA, Russ Peterson of CEQ, have been strong advocates of the national land use program of Washington over the last several years. Even in this time of tight budgetary constraints, Secretary Morton has indicated continued support for land use program and related programs. So, I think we have every reason to believe that the new Secretary of Commerce will stand squarely behind the coastal zone management program.

Before closing I would like to make one final observation. We have heard some reports during the conference on state programs and state progress that were optimistic; we have heard some reports that would have to be termed less than optimistic, indeed even pessimistic. I think we must realize that in a field as tough as this one, there will inevitably be some losses as we make the gains.

I think ,for example, that the excellent work that has been done over the years, done well and carefully, by Ron Poitras and Bill Savage, for example, will not be undone in the coming months, even though some readjustment may be necessary.

A great deal of very significant progress has been made in the field of coastal zone management in the last five years. If you will look at the tally of state legislation passed since 1970 you will note that the score in the shoreline protection area is really significant. I think even greater gains will be made in the next five years, given the initial resources that are now being put into the field.

I would like to just step back for a perspective on this issue for a moment. At a meeting I attended last week someone likened the lifetime of the earth, that is to say four or five billion years, to a calendar year period, a single year, something like this: The earth was formed on January 1st; it was about April until the geological upheavals settled down and the earth took its shape as it generally is today. In August in this year, the first cell burst forth in life in some tropical warm pool.

Perhaps around Christmas our ancestors first stood up on their hind legs and began to explore the surface of the earth. The pyramids were built late in the evening of December 31st and one second before midnight of December 31st, the industrial revolution began.

That gives you an idea of the time scale we are working under. So surely we shouldn't be surprised if we haven't solved all of the problems of coastal coastal zone management or the environment yet.

I think a few thank yous are in order as we bring this meeting to a close.

First, I would like to say "thank you" to all of you who have participated in the conference. You generally have come a long distance; you have been patient with our program, which at times could have been improved by fewer speakers and more time for discussion, but I hope you found it profitable.

Secondly, "thank you" to our Sea Grant colleagues who, I think, will play an increasingly important role in coastal zone management in the future and we have appreciated their meeting with us at this time.

Thirdly, a "thank you" to Joe Bodivitz and his California Coastal Zone Commission staff for their help in helping us organize this conference.

My personal thanks go to some of my staff, Michele Tetley, Jean Klaasse, and their assistants for, number one, selecting this site, and number two, handling the logistics so ably during the time we were here.

And the last "thank you," to the Great Coastal Zone Manager in the Sky for the beautiful weather we have had while we were here.

Thank you and have a safe trip.

(APPLAUSE)